

## MONTHLY BUDGET STATEMENT: 31 DECEMBER 2017

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

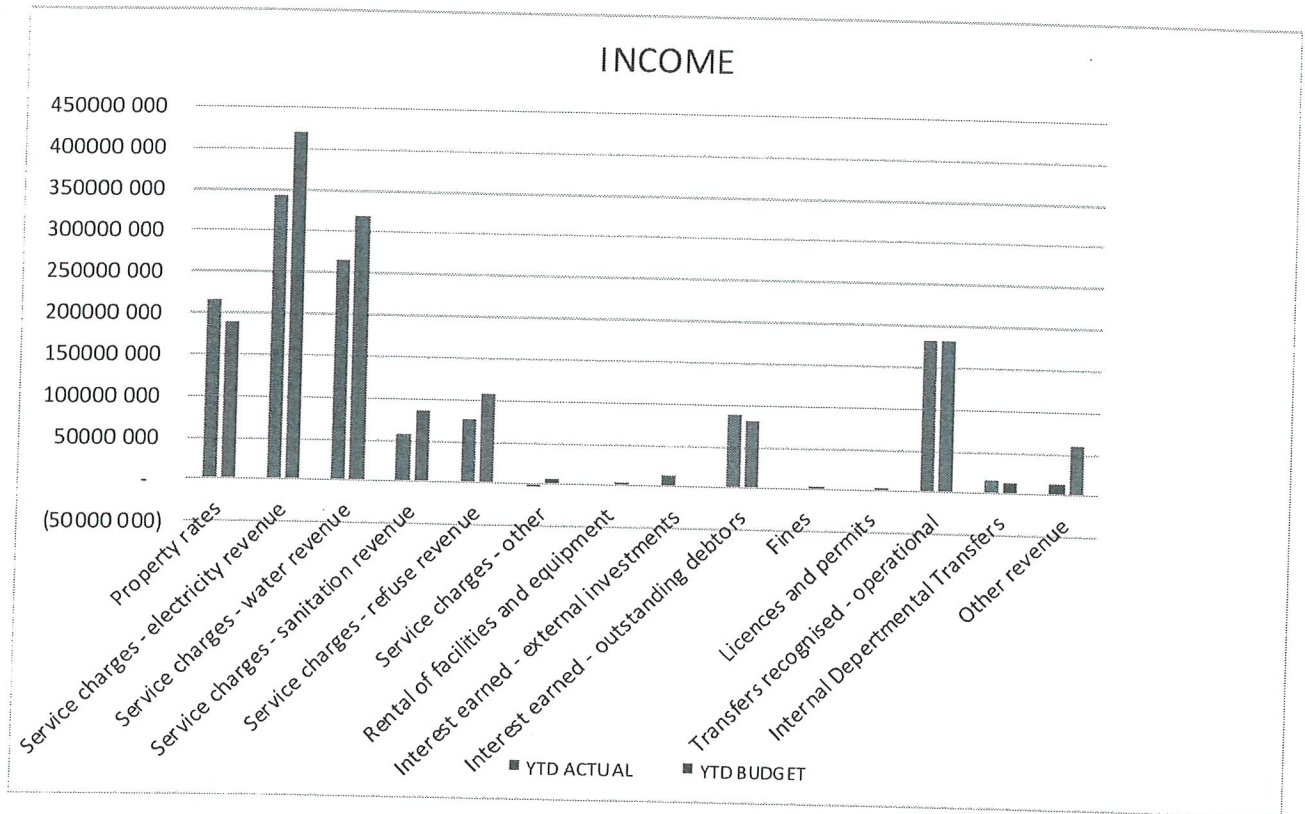
The financial results for the period ended 31 December 2017 are summarized as follows:  
**Statement of Financial Performance (SFP)**

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.

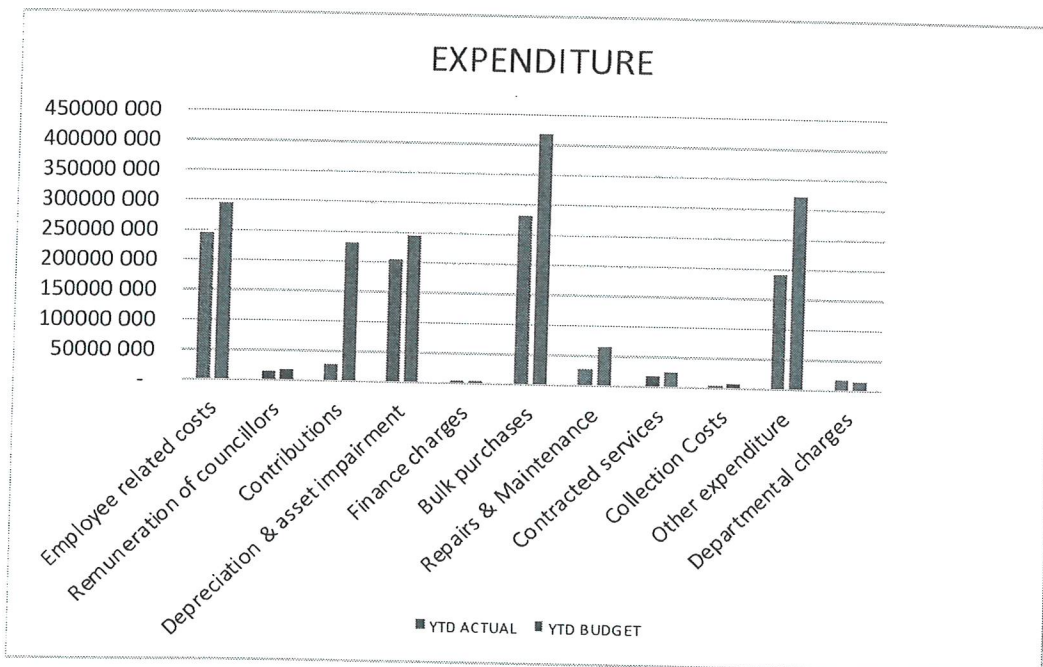
The summary report indicates the following:

<b>Summary statement of Financial Performance</b>				
<b>Description</b>	<b>YTD Budget 2017/18</b>	<b>December Actual 2017/18</b>	<b>YTD Actual 2017/18</b>	<b>Variance Favorable (Unfavorable)</b>
Total Revenue by Source	(1,477,887,320)	(360,868,494)	(1,221,293,727)	(256,593,593)
Total Operating Expenditure	1,638,509,000	268,039,345	976,813,204	661,695,796
<b>(SURPLUS)/ DEFICIT</b>	<b>160,621,680</b>	<b>(92 829 150)</b>	<b>(244,480,523)</b>	<b>405,102,203</b>

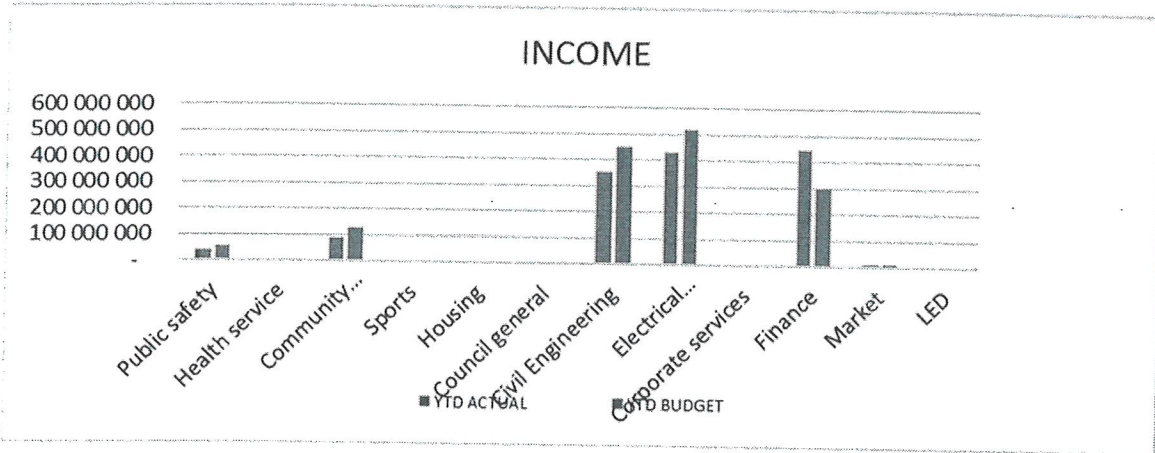
## YTD Actual Income vs YTD Budget Income



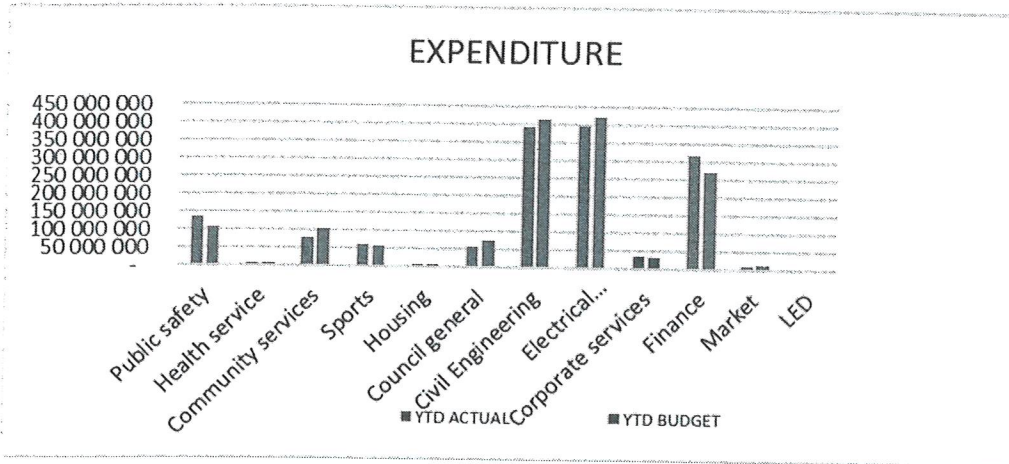
## YTD Actual Expenditure vs YTD Budget Expenditure



### Operating Income per department



### Operating Expenditure per department



## GRANTS AND SUBSIDIES

### Operational allocation/ Grant received

DESCRIPTION	BUDGET 2017/18	DECEMBER RECEIVED 2017/18	YTD ACTUAL RECEIVED 2017/18	YTD%
Equitable shares grants	354,377,000	166,884,000	264,542,000	41.67%
Finance Management grant	2,145,000	0	2,145,000	100%
Improvement of Library services	1,200,000	0	1,200,000	100%
PMU	4,291,613	0	0	0%
EPWP	2,246,000	0	562,000	25.02%
<b>TOTAL</b>	<b>364,259,613</b>	<b>116,884,000</b>	<b>268,449,000</b>	<b>73.70%</b>

### Operational Grant spending

DESCRIPTION	BUDGET 2017/18	DECEMBER SPENDING 2017/18	YTD ACTUAL 2017/18	YTD%
Equitable shares grants	354,377,000	0	147,657,084	41.67%
Finance Management grant	2,145,000	0	311,208	41.51%
Improvement of Library services	1,200,000	0	7,403	0.62%
PMU	4,291,613	291,608	1,458,833	33.99%
EPWP	2,246,000	0	293,969	13.09%
<b>TOTAL</b>	<b>364,259,613</b>	<b>291,608</b>	<b>149,728,498</b>	<b>41.10%</b>



**CAPITAL GRANT RECEIVED**

<b>DESCRIPTION</b>	<b>BUDGET</b>	<b>DECEMBER RECEIVED 2017/18</b>	<b>YTD ACTUAL RECEIVED</b>	<b>YTD%</b>
MIG	84,588,950	28,493,000	59,657,000	70.53%
NDPG	75,000,000	0	40,000,000	53.33%
INEP	14,000,000	6,000,000	12,000,000	85.71%
PMU	160,435	0	0	0%
PIG	22,000,000	0	14,808,404	67.31
<b>TOTAL</b>	<b>195,749,385</b>	<b>34,493,000</b>	<b>126,465,404</b>	<b>64.61%</b>

**CAPITAL GRANT SPENT**

<b>DESCRIPTION</b>	<b>BUDGET</b>	<b>DECEMBER SPENDING 2017/18</b>	<b>YTD ACTUAL</b>	<b>YTD%</b>
DPG	75,000,000	4,204,686	28,925,349	38.57%
INEP	14,000,000	2,644,440	7,273,832	51.96%
PMU	160,435	0	0	0%
PIG Sewer	22,000,000	0	14,808,403	67.31

### Cash Flow Statement (Annexure B)

- Total cash receipts by source reflect an amount of R229.2 million, for the month of December 2017.
- Total cash payments indicate an amount of R169.9 million for the month of December 2017.

### Capital expenditure report (Annexure C)

The summary report indicates the following:

<b>Summary statement of Capital Expenditure</b>				
<b>Description</b>	<b>YTD Budget</b>	<b>December Actual 2017/18</b>	<b>YTD Actual</b>	<b>Variance Favourable (Unfav)</b>
Total Capital Expenditure	106,873,500	8,998,624	68,023,655	(38,849,845)
<b>Capital funding</b>				
National government	86,873,500	8,998,624	68,023,655	(18,849,845)
Provincial Government	-	-	-	-
District Municipality	-	-	-	-
Borrowing	15,000,000	-	-	(15,000,000)
Internal Generated fund	5000,000	-	-	(5,000,000)
<b>Financial Total</b>	<b>106,873,500</b>	<b>8,998,624</b>	<b>68,023,655</b>	<b>(38,849,845)</b>

- Capital spending of 31.82% is lower than the 50% pro-rata.

### MIG Spending

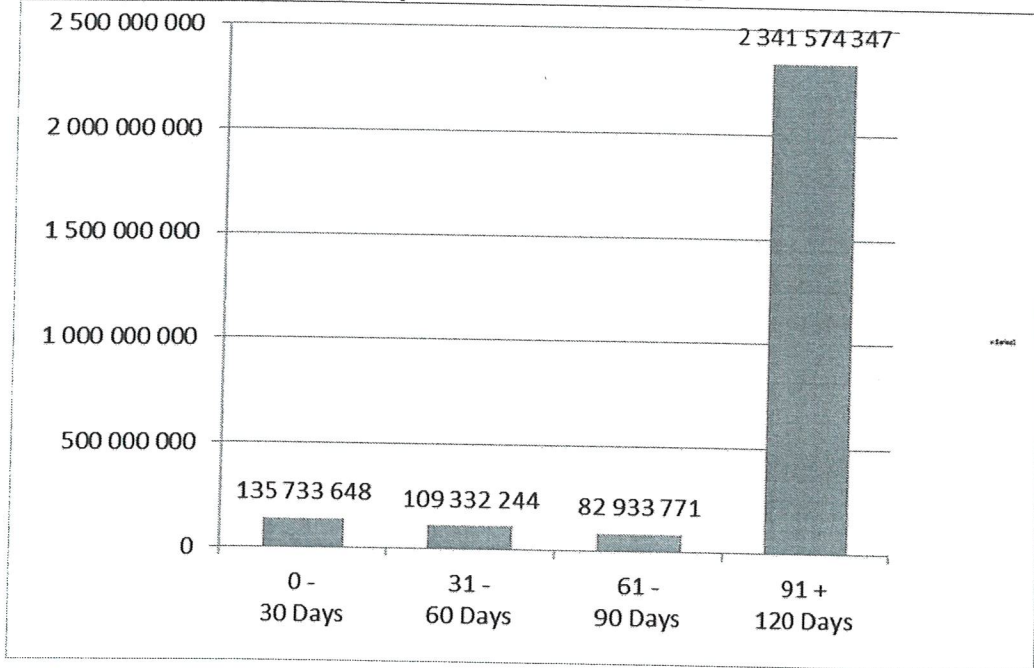
<b>BUDGET</b>	<b>DECEMBER RECEIVED</b>	<b>SPENDING YTD</b>	<b>YTD RECEIVED</b>	<b>%SPENDING</b>
84,588,950	4,502,330	34,898,442	59,657,000	41.26%

### 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 December 2017 amounts to R 2.533 billion.

A detailed Age Analysis is on annexure D.

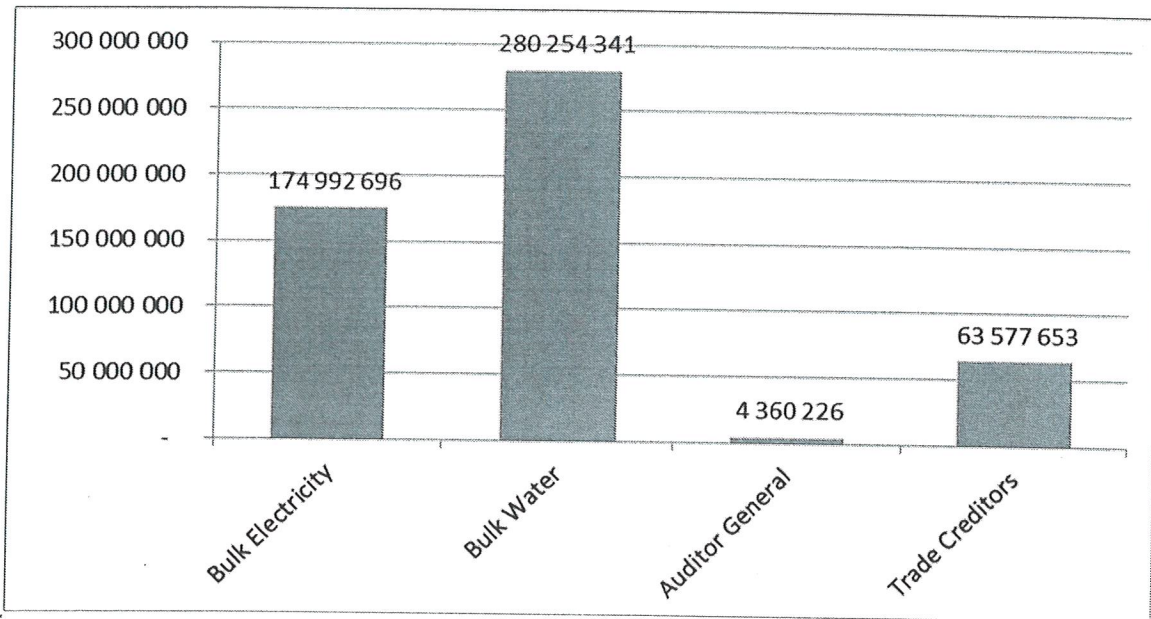
**Debtors by Customer group – 31 December 2017**



- Debtors' book has increased by R97 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.



### Investment Portfolio (Annexure F)

The table indicates the status of the investment portfolio which amounts to R 151,162,820 as at 31 December 2017.

Investments					
Institution	Fixed	Call	Long Term	Collateral	Total
	R	R	R	R	R
ABSA		115,232,382			115,232,382
FNB			99,413		99,413
Investec		5,771,995.90			5,771,996
Nedcor				21,697,304	21,697,304
Sanlam (Policy)	8,361,725				8,361,725
	<b>8,361,725</b>	<b>121,004,378</b>	<b>99,413</b>	<b>21,697,304</b>	<b>151,162,820</b>



## **ANNEXURE G (BORROWINGS)**

The total amount outstanding on external loans at the end of December 2017 amount to R58,143,658.39.

## **ANNEXURE I**

### **RATIOS**

### **FINANCIAL IMPLICATIONS**

The report covers the period from 1 July 2017 to 31 December 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 1.221 billion is less than projected of R 1.477 billion YTD budget (Pro-rata) and vary by R256.5 million. Year to date actual expenditure of R 976.8 million is less than projected expenditure of R1.638 billion YTD budget (Pro-rata) and vary by R 661.6 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) - December 2017

Current Year 2017/18

Description	Original Budget	December Actual 2017/18	YTD ACTUAL	YTD BUDGET	Variance	YTD %	Variance%
<b>Revenue By Source</b>							
Property rates	(378 837 000)	(52 047 974)	(214 554 125)	-189 418 500	(25 135 625)	56.63	13.27
Service charges - electricity revenue	(838 331 000)	(99 570 222)	(342 617 091)	-419 165 500	76 548 409	40.87	(18.26)
Service charges - water revenue	(639 296 000)	(92 313 640)	(265 150 573)	-319 648 000	54 497 427	41.48	(17.05)
Service charges - sanitation revenue	(173 694 000)	(18 905 801)	(56 489 831)	-86 847 000	30 357 169	32.52	(34.95)
Service charges - refuse revenue	(215 011 000)	(25 446 570)	(76 165 496)	-107 505 500	31 340 004	35.42	(29.15)
Service charges - other	(15 000 000)	68 463	21 901	-7 500 000	7 521 901	(0.15)	-
Rental of facilities and equipment	(6 586 640)	(1 215 769)	(2 643 463)	-3 293 320	649 857	40.13	(19.73)
Interest earned - external investments	(2 500 000)	-	-	-1 250 000	1 250 000	-	(100.00)
Interest earned - outstanding debtors	(161 884 000)	(33 505 074)	(104 273 195)	-80 942 000	(23 331 195)	64.41	28.82
Fines	(7 452 000)	(29 300)	(636 267)	-3 726 000	3 089 733	8.54	(82.92)
Licences and permits	(7 529 000)	(358 937)	(358 937)	-3 764 500	3 405 563	4.77	(90.47)
Transfers recognised - operational	(364 262 000)	(33 799 696)	(181 956 270)	-182 131 000	174 730	49.95	(0.10)
Internal Departmental Transfers	(26 505 731)	(5 266 909)	(16 002 796)	-13 252 866	(2 749 931)	60.37	20.75
Other revenue	(118 886 269)	(5 715 832)	(15 117 148)	-59 443 135	44 325 987	12.72	(74.57)
Gains on disposal of PPE	-	-	-	0	-	-	-
<b>Total Revenue</b>	<b>(2 955 774 640)</b>	<b>(368 107 262)</b>	<b>(1 275 943 290)</b>	<b>(1 477 887 320)</b>	<b>201 944 030</b>	<b>43.17</b>	<b>(13.66)</b>
<b>Expenditure By Type</b>							
Employee related costs	586 853 000	44 387 415	243 976 088	293 426 500	49 450 412	41.57	16.85
Remuneration of councillors	31 657 000	2 515 669	15 099 015	15 828 500	729 485	47.70	4.61
Contributions	462 621 000	-	28 192 685	231 310 500	203 117 815	6.09	87.81
Depreciation & asset impairment	492 000 000	34 212 995	205 277 969	246 000 000	40 722 031	41.72	16.55
Finance charges	11 000 000	1 490 074	3 848 190	5 500 000	1 651 810	34.98	30.03
Bulk purchases	837 563 000	102 364 798	281 105 166	418 781 500	137 676 334	33.56	32.88
Repairs & Maintenance	126 791 000	8 886 075	27 958 330	63 395 500	35 437 170	22.05	55.90
Contracted services	48 250 824	6 648 695	16 177 280	24 125 412	7 948 132	33.53	32.95
Collection Costs	13 500 000	1 310 095	3 828 854	6 750 000	2 921 146	28.36	43.28
Other expenditure	640 276 448	68 113 976	190 016 437	320 138 224	130 121 787	29.68	40.65
Departmental charges	26 505 728	5 348 321	15 982 754	13 252 864	(2 729 890)	60.30	(20.60)
Internal recoveries (amount charge out)	-	-	-	-	-	-	-
<b>Total Expenditure</b>	<b>3 277 018 000</b>	<b>275 278 113</b>	<b>1 031 462 767</b>	<b>1 638 509 000</b>	<b>607 046 233</b>	<b>31.48</b>	<b>37.05</b>
<b>(Surplus)/Deficit</b>	<b>321 243 360</b>	<b>(92 829 150)</b>	<b>(244 480 523)</b>	<b>160 621 680</b>	<b>(405 102 203)</b>		
<b>TOTAL REVENUE</b>	<b>(2 955 774 640)</b>	<b>(368 107 262)</b>	<b>(1 275 943 290)</b>	<b>(1 477 887 320)</b>	<b>(201 944 030)</b>	<b>43.17</b>	<b>13.66</b>
<b>LESS REVENUE FOREGONE</b>	<b>-</b>	<b>7 238 768</b>	<b>54 649 563</b>	<b>-</b>	<b>(54 649 563)</b>		
<b>Income forgone on assessment rate</b>	<b>43 528 512</b>	<b>7 238 768</b>	<b>54 649 563</b>	<b>21 764 256</b>	<b>(32 885 307)</b>	<b>125.55</b>	<b>(151.10)</b>
<b>Income forgone on other</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>		
<b>TOTAL INCOME</b>	<b>(2 955 774 640)</b>	<b>(360 868 494)</b>	<b>(1 221 293 727)</b>	<b>(1 477 887 320)</b>	<b>(256 593 593)</b>	<b>41.32</b>	<b>17.36</b>
<b>Total expenditure after deduct reve</b>	<b>3 277 018 000</b>	<b>268 039 345</b>	<b>976 813 204</b>	<b>1 638 509 000</b>	<b>661 695 796</b>	<b>29.81</b>	<b>40.38</b>
<b>TOTAL EXPENDITURE</b>	<b>3 277 018 000</b>	<b>275 278 113</b>	<b>1 031 462 767</b>	<b>1 638 509 000</b>	<b>607 046 233</b>	<b>31.48</b>	<b>37.05</b>
<b>Revenue foregone</b>	<b>-</b>	<b>(7 238 768)</b>	<b>(54 649 563)</b>	<b>-</b>	<b>54 649 563</b>		
<b>(Surplus)/ Deficit for the year</b>	<b>321 243 360</b>	<b>(92 829 150)</b>	<b>(244 480 523)</b>	<b>160 621 680</b>	<b>405 102 203</b>	<b>-76.10</b>	<b>5.23</b>

OPERATING INCOME PER DEPARTMENT AS AT DECEMBER 2017

DESCRIPTION	BUDGET	DEC 2017	YTD ACTUAL	YTD BUDGET	VARIANCE	VARIANCE	YTD %
Public safety	95 330 893	5 197 538	5 950 347	47 665 447	(41 715 100)	-87.52	6.24
Health service	-	-	5 500	-	5 500	-	-
Community services	220 391 330	26 895 594	79 721 132	110 195 665	(30 474 533)	-27.65	36.17
Sports	2 232 079	33 244	312 849	1 116 040	(803 190)	-71.97	14.02
Housing	2 166 080	174 640	522 000	1 083 040	(561 040)	-51.80	24.10
Council general	3 203 182	92 919	366 615	1 601 591	(1 234 976)	-77.11	11.45
Civil Engineering	826 495 380	116 609 979	330 568 684	413 247 690	(82 679 006)	-20.01	40.00
Electrical engineering	861 685 278	103 446 549	356 784 243	430 842 639	(74 058 396)	-17.19	41.41
Corporate services	4 492 179	20 412	106 983	2 246 090	(2 139 107)	-95.24	2.38
Finance	918 209 218	108 397 575	442 678 980	459 104 609	(16 425 629)	-3.58	48.21
Market	21 569 021	-	4 275 911	10 784 511	(6 508 600)	-60.35	19.82
LED	-	44	483	-	483	-	-
<b>TOTAL</b>	<b>2 955 774 640</b>	<b>360 868 494</b>	<b>1 221 293 726</b>	<b>1 477 887 320</b>	<b>(256 593 594)</b>	<b>-17.36</b>	<b>41.32</b>

OPERATING EXPENDITURE PER DEPARTMENT

DESCRIPTION	BUDGET	DEC 2017	YTD ACTUAL	YTD BUDGET	VARIANCE	VARIANCE	YTD %
Public safety	211 969 544	16 478 495	65 766 240	105 984 772	(40 218 532)	-37.95	31.03
Health service	9 649 658	618 009	2 968 557	4 824 829	(1 856 272)	-38.47	30.76
Community services	216 166 471	17 583 383	73 038 857	108 083 236	(35 044 378)	-32.42	33.79
Sports	114 357 160	10 259 035	51 039 659	57 178 580	(6 138 921)	-10.74	44.63
Housing	11 321 100	992 845	5 312 809	5 660 550	(347 741)	-6.14	46.93
Council general	169 956 453	12 435 884	57 846 572	84 978 227	(27 131 654)	-31.93	34.04
Civil Engineering	948 642 258	74 931 634	283 190 447	474 321 129	(191 130 682)	-40.30	29.85
Electrical engineering	859 939 220	100 349 022	335 958 756	429 969 610	(94 010 854)	-21.86	39.07
Corporate services	62 609 135	4 712 304	22 883 586	31 304 568	(8 420 981)	-26.90	36.55
Finance	632 554 006	25 859 406	64 161 831	316 277 003	(252 115 172)	-79.71	10.14
Market	25 050 555	3 112 565	11 772 206	12 525 278	(753 072)	-6.01	46.99
LED	14 802 440	706 763	2 873 684	7 401 220	(4 527 536)	-61.17	19.41
<b>TOTAL</b>	<b>3 277 018 000</b>	<b>268 039 345</b>	<b>976 813 205</b>	<b>1 638 509 000</b>	<b>(661 695 795)</b>	<b>-40.38</b>	<b>29.81</b>
<b>Surplus/Deficit</b>	<b>(321 243 360)</b>	<b>92 829 149</b>	<b>244 480 521</b>	<b>(160 621 680)</b>	<b>405 102 201</b>		

**GRANTS AND SUBSIDIES - December 2017**

**Operational allocation/grant received**

	BUDGET	NOVEMBER	DEC 2017	2nd Quarter	YTD	YTD%
Equitable shares grants	354 377 000		116 884 000	116 884 000	264 542 000	74.65
Finance Management Grant	2 145 000	-		-	2 145 000	100.00
Improvement of library services	1 200 000	-		-	1 200 000	100.00
PMU	4 291 613	-		-	-	-
EPWP (arbour week)	2 246 000	-		-	562 000	25.02
	364 259 613	-	116 884 000	116 884 000	268 449 000	73.70

**CAPITAL GRANT RECEIVED**

MIG	84 588 950	-	28 493 000	28 493 000	59 657 000	70.53
NDPG	75 000 000	-	-	-	40 000 000	53.33
DME/INER	14 000 000	-	6 000 000	12 000 000	12 000 000	85.71
PMU	160 435	-	-	-	-	-
PIG Sewer	22 000 000	-	-	-	14 808 404	67.31
	195 749 385	-	34 493 000	40 493 000	126 465 404	64.61

**GRANTS AND SUBSIDIES - DECEMBER 2017**

**Operational allocation/grant spending**

	BUDGET	NOV 2017	DEC	2nd Quarter 2016/17	YTD EXPENDITURE	YTD%
Equitable shares grants	354 377 000	29 531 417		59 062 834	147 657 084	41.67
Finance Management Grant	2 145 000	75 638		142 376	311 208	14.51
Improvement of library services	1 200 000	3 600		4 551	7 403	0.62
PMU	4 291 613	223 044	291 608	737 696	1 458 833	33.99
EPWP (arbour week)	2 246 000	293 969		293 969	293 969	13.09
	364 259 613	30 127 668	291 608	60 241 426	149 728 498	41.10

**CAPITAL GRANT EXPENDITURE**

MIG	84 588 950	1 273 750	4 502 330	6 060 355	34 898 442	41.26
NDPG	75 000 000	6 695 783	4 204 686	15 952 924	28 925 349	38.57
DME/INER	14 000 000	-	2 644 440	3 582 777	7 273 832	51.96
PMU	160 435	-	-	-	-	-
PIG Sewer	22 000 000	-	-	-	14 808 403	67.31
	195 749 385	7 969 533	11 351 456	25 596 056	85 906 026	43.89



## ANNEXURE B

## Cash Flow Statement for the month of December 2017

<b>Cash Receipts by Source</b>	<b>October 2017</b>	<b>November 2017</b>	<b>December 2017</b>
Property rates	20 569 905	6 739 233	4 492 347
Service charges - electricity revenue	54 724 761	16 662 570	8 588 086
Service charges - water revenue	23 362 714	9 028 152	4 190 752
Service charges - sanitation revenue	5 469 734	1 819 055	1 014 149
Service charges - refuse revenue	5 048 323	1 755 348	965 227
Service charges - other	136 154 471	73 599 664	14 003 101
Rental of facilities and equipment	226 003	106 330	34 847
Interest earned - external investments	-	-	-
Interest earned - outstanding debtors	4 926	-	-
Fines	29 988	134 142	46 682
Licences and permits	-	-	358 937
Transfer receipts - operational grants	-	-	116 884 000
Other revenue	4 749 531	19 089 284	44 226 309
<b>Cash Receipts by Source</b>	<b>250 340 356</b>	<b>128 933 778</b>	<b>194 804 437</b>
Transfer receipts - capital grants	6 000 000	-	34 493 000
Proceeds on disposal of PPE	-	-	-
<b>Total Cash Receipts by Source</b>	<b>256 340 356</b>	<b>128 933 778</b>	<b>229 297 437</b>
Proceeds on disposal of PPE	0	0	-
Short term loan	0	0	-
Borrowing long term/ Refinancing	0	0	-
Increase (decrease) in consumer deposits	0	0	(3 976 711)
Decrease (increase) in non - current debtors	0	0	232 372
Decrease (increase) in non - current	0	0	8 658
Decrease (increase) in non- current investment	0	0	-
<b>Total Cash Receipts by Source</b>	<b>256 340 356</b>	<b>128 933 778</b>	<b>225 561 756</b>
<b>Cash Payments by Type</b>			
Employee related costs	46 131 196	47 346 957	44 387 419
Remuneration of councillors	2 515 669	2 515 669	2 515 669
Collection costs	33 711	1 162 844	1 219 264
Interest paid	227 173	395 221	1 490 074
Bulk purchases - Electricity	63 110 907	37 252 435	37 252 435
Bulk purchases - Water	-	-	-
Repairs and maintenance	1 566 329	4 718 377	7 791 585
Contracted services	1 564 478	4 008 126	5 318 186
General expenses	83 802 470	48 856 818	52 879 220
<b>Cash Payments by Type</b>	<b>198 951 933</b>	<b>146 256 447</b>	<b>152 853 852</b>
<b>Other Cash Flows/Payments by Type</b>			
Capital assets	6 275 068	7 969 534	11 643 064
Repayment of borrowing	391 548	395 221	5 466 785
<b>Other Cash Flows/Payments</b>	<b>6 666 616</b>	<b>8 364 755</b>	<b>17 109 849</b>
Investment	67 314 670	33 000 000	-
<b>Total Cash Payments by Type</b>	<b>205 618 549</b>	<b>154 621 202</b>	<b>169 963 701</b>
<b>Net increase/(decrease) in cash held</b>	<b>(16 592 863)</b>	<b>(58 687 424)</b>	<b>55 598 055</b>
<b>Cash/ cash equivalent at the month begin</b>	<b>154 643 997</b>	<b>138 051 134</b>	<b>79 363 710</b>
<b>Cash/ cash equivalent at the month end</b>	<b>138 051 134</b>	<b>79 363 710</b>	<b>134 961 765</b>



## ANNEXURE C CAPITAL EXPENDITURE

## NW403 City Of Matlosana - Budgeted Capital Expenditure - December 2017

	Original Budget	December 2017	YTD Actual	YTD Budget	Variance	YTD %
<b>Capital Expenditure</b>						
<b>Council General</b>	<b>35 000 000</b>	<b>-</b>	<b>-</b>	<b>17 500 000</b>	<b>(17 500 000)</b>	<b>-</b>
Council General Admin	35 000 000	-	-	17 500 000	(17 500 000)	-
<b>Municipal &amp; Environmental Services</b>	<b>10 952 000</b>	<b>-</b>	<b>-</b>	<b>5 476 000</b>	<b>(5 476 000)</b>	<b>-</b>
Community and social services	-	-	-	-	-	-
Sport and recreation	10 952 000	-	-	5 476 000	(5 476 000)	-
Refuse removal	-	-	-	-	-	-
Public Safety	-	-	-	-	-	-
Health	-	-	-	-	-	-
Cemetary	-	-	-	-	-	-
<b>Finance</b>	<b>5 000 000</b>	<b>-</b>	<b>-</b>	<b>2 500 000</b>	<b>(2 500 000)</b>	<b>-</b>
ICT Hard/software	5 000 000	-	-	2 500 000	(2 500 000)	-
<b>Macro city planning &amp; Development</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>0</b>
Market	-	-	-	-	-	0
<b>Civil Services &amp; Human Settlement</b>	<b>140 891 000</b>	<b>8 301 800</b>	<b>62 697 439</b>	<b>70 445 500</b>	<b>(7 748 061)</b>	<b>44.50</b>
Water	42 187 000	1 909 588	29 852 409	21 093 500	8 758 909	70.76
Waste water management(Sewer)	7 484 000	1 359 786	1 359 786	3 742 000	(2 382 214)	18.17
Roads	91 220 000	4 740 818	31 193 635	45 610 000	(14 416 365)	34.20
Housing	-	-	-	-	-	-
PMU Unit	-	291 608	291 608	-	291 608	-
Dumping side	-	-	-	-	-	-
<b>Electrical &amp; Mechanical Engineering</b>	<b>21 904 000</b>	<b>696 824</b>	<b>5 326 217</b>	<b>10 952 000</b>	<b>(5 625 783)</b>	<b>24.32</b>
Electrical	21 904 000	696 824	5 326 217	10 952 000	(5 625 783)	24.32
<b>Total Capital Expenditure</b>	<b>213 747 000</b>	<b>8 998 624</b>	<b>68 023 655</b>	<b>106 873 500</b>	<b>(38 849 845)</b>	<b>31.82</b>

## CAPITAL FUNDING

National government	173 747 000	8 998 624	68 023 655	86 873 500	(18 849 845)	39.15
Provincial government	-	-	-	-	-	-
District municipality	-	-	-	-	-	-
Borrowing	30 000 000	-	-	15 000 000	(15 000 000)	-
Internal Generated funds	10 000 000	-	-	5 000 000	(5 000 000)	-
<b>Financing Total</b>	<b>213 747 000</b>	<b>8 998 624</b>	<b>68 023 655</b>	<b>106 873 500</b>	<b>(38 849 845)</b>	<b>31.82</b>

**ANNEXURE D**  
**DEBTOR'S AGE ANALYSIS - December 2017**

<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	37 284 128	29 738 033	26 705 883	779 598 304	873 326 348
Electricity Tariffs	36 714 605	22 957 240	10 414 884	196 130 407	266 217 136
Rates (Property Rates)	15 360 699	8 578 831	5 101 137	146 329 763	175 370 430
Sewerage/ Sanitation	6 207 692	4 983 612	4 092 671	138 513 620	153 797 595
Refuse Removal Tariffs	8 354 064	7 213 309	6 496 104	238 877 292	260 940 769
Other	31 812 460	35 861 219	30 123 092	842 124 961	939 921 732
<b>Total By Income Source</b>	<b>135 733 648</b>	<b>109 332 244</b>	<b>82 933 771</b>	<b>2 341 574 347</b>	<b>2 669 574 010</b>
<b>Debtors Age Analysis By Customer Group</b>					
Government	5 369 924	4 786 191	4 208 547	36 034 600	50 399 262
Business	38 809 307	29 194 368	12 100 288	299 503 379	379 607 342
Households	91 554 416	75 351 685	66 624 936	2 006 036 369	2 239 567 406
Other	713 462	667 865	1 031 497	48 902 129	51 314 953
<b>Total By Customer Group</b>	<b>135 733 648</b>	<b>109 332 244</b>	<b>82 933 771</b>	<b>2 341 574 347</b>	<b>2 669 574 010</b>

ANNEXURE E  
 OUTSTANDING CREDITORS STATEMENT - DECEMBER 2017

Detail	0 - 30 Days	31 - 60 Days	61 - 90 Days	91 - 120 Days	121 +Days	Total
Bulk Electricity	45 991 593	44 318 120		-	84 682 984	174 992 696
Bulk Water	38 015 500	8 111 636	32 375 220	31 370 029	170 381 956	280 254 341
Auditor General	1 295 670	1 257 987	1 386 036	389 731	30 802	4 360 226
Trade Creditors	63 577 653	-	-	-	-	63 577 653
<b>Total</b>	<b>148 880 416</b>	<b>53 687 742</b>	<b>33 761 256</b>	<b>31 759 760</b>	<b>255 095 742</b>	<b>523 184 915</b>

**ANNEXURE F**

**Investment Portfolio: 30 December 2017**  
**City of Matlosana**

INSTITUTION	INTEREST RATE	PERIOD	OCTOBER 2017	NOVEMBER 2017	DECEMBER 2017	MATURITY DATE	EXPLANATION
<b>Call Investment</b>							
ABSA: 3854	3.73%		12 242.96	12 314.96	12 314.96		
ABSA: 5047	4.70%		5 140 058.36	3 450 475.19	9 450 475.79		INEP
ABSA: 6177	6.75%		11 827 444.57	4 512 958.03	28 799 328.03		MIG
ABSA: 2264	4.70%		5 660 992.74	4 574 667.19	4 593 019.80		
ABSA: 4682	6.65%		38 587 684.58	24 541 414.10	21 425 135.70		NDPG
ABSA: 4063	1.55%		173 097.85	173 288.97	173 474.13		
ABSA: 1223	6.75%		58 363 251.72	21 778 634.02	50 778 634.02		
INVESTEC	6.80%		5 709 217.34	5 740 053.90	5 771 995.90		
<b>TOTAL Call Investment</b>			<b>125 473 990.12</b>	<b>64 783 806.36</b>	<b>121 004 378.33</b>		
<b>Collateral</b>							
SANLAM	Policy	Guaranteed Capital	7 837 616.22	7 837 616.22	7 837 616.22	2018-12-01	Policy
SANLAM	Policy	Guaranteed Capital	524 109.04	524 109.04	524 109.04	2019-08-01	Policy
NEDCOR	Minimum 5%		21 697 304.00	21 697 304.00	21 697 304.00	30/06/2019	Security
<b>TOTAL</b>			<b>30 059 029.26</b>	<b>30 059 029.26</b>	<b>30 059 029.26</b>		
<b>Long Term Investment</b>							
FNB	10.00%	1 YEAR	85 413.28	85 413.28	85 413.28		Housing Collateral
FNB	9.50%	1 YEAR	14 000.00	14 000.00	14 000.00		Housing Collateral
<b>TOTAL</b>			<b>99 413.28</b>	<b>99 413.28</b>	<b>99 413.28</b>		
<b>TOTAL INVESTMENTS</b>			<b>155 632 432.66</b>	<b>94 942 248.90</b>	<b>151 162 820.87</b>		

Withdraw R169 762 from ABSA call (NDPG) - 01 November 2017  
Invest R2 000 000 with ABSA on call - 01 November 2017  
Withdraw R94 068 from ABSA call (MIG) - 03 November 2017  
Withdraw R4 000 000 from ABSA call - 03 November 2017  
Withdraw R15 000 000 from ABSA call - 06 November 2017  
Withdraw R189 421 from ABSA call (INEP) - 06 November 2017  
Withdraw R344 156 from ABSA call (MIG) - 07 November 2017  
Withdraw R873 522 from ABSA call - 07 November 2017  
Withdraw R1 515 374 from ABSA call (INEP) - 07 November 2017  
Invest R10 000 000 with ABSA on call - 09 November 2017  
Withdraw R204 194 from ABSA call (MIG) - 09 November 2017  
Invest R5 000 000 with ABSA on call - 14 November 2017  
Invest R8 000 000 with ABSA on call - 14 November 2017  
Withdraw R5 417 576 from ABSA call (NDPG) - 15 November 2017  
Withdraw R1 073 553 from ABSA call (MIG) - 15 November 2017  
Invest R8 000 000 with ABSA on call - 16 November 2017  
Withdraw R1 107 721 from ABSA call (MIG) - 23 November 2017  
Withdraw R76 719 from ABSA call (MIG) - 23 November 2017  
Withdraw R15 000 000 from ABSA call - 23 November 2017  
Withdraw R4 766 634 from ABSA call (MIG) - 24 November 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	Value	Norm	PRINCIPAL COMMENTS (if)
<b>1. FINANCIAL POSITION</b>				
<b>A. Asset Management/Utilisation</b>				
1 Capital Expenditure to Total Expenditure	Total Capital Expenditure / Total Expenditure (Total Operating expenditure + Capital expenditure) x 100	7%	7%	The ratio will increasing as capital expenditure accelerates.
		976 813 204		
		68 023 655		
		0		
<b>D. Liability Management</b>				
1 Capital Cost(Interest Paid and Redemption) as a % of Total Operating Expenditure	Capital Cost(Interest Paid and Redemption) / Total Operating Expenditure x 100	0.003939535	0.0039	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.
		3 848 190		
		976 813 204		
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	0.026571403	0.027	
		64 895 337		
		2 260 169 000		
		-182 131 000		
<b>2. FINANCIAL PERFORMANCE</b>				
1 Net Operating Surplus Margin	(Total Operating Revenue - Total Operating Expenditure)/Total Operating Revenue	0.567814086	0.5678	The restated assets register and the accompanying higher depreciation have a significant impact on financial performance of the municipality.
		2 260 169 000		
		976 813 204		
<b>D. Expenditure Management</b>				
1 Creditors Payment Period (Trade Creditors)	Trade Creditors Outstanding / Credit Purchases (Operating and Capital) x 365	176.215592	176.22	Still way behind acceptable.
		523 184 915		
		1 083 686 704		
2 Remuneration as % of Total Operating Expenditure	Remuneration (Employee Related Costs and Councillors' Remuneration) /Total Operating Expenditure x100	0.316595843	0.32	Below NT norm
		309 255 000		
		976 813 204		
2 Contracted Services % of Total Operating Expenditure	Contracted Services / Total Operating Expenditure x100	0.016561283		The proposed lower ratio is a product of a change to create in



16 177 280  
976 813 204

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 68 023 655	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	0.93 1 221 293 727 88 727 650 0	

**3. BUDGET IMPLEMENTATION**

1 Capital Expenditure Budget Implementation Indicator	Actual capital Expenditure / Budget Capital Expenditure x 100	0.318243789 68 023 655 213 747 000	0.32 Should be at 42%.
2 Operating Expenditure Budget Implementation Indicator	Actual Operating Expenditure / Budgeted Operating Expenditure x 100	0.596159804 976 813 204 1 638 509 000	0.60
3 Operating Revenue Budget Implementation Indicator	Actual Operating Revenue / Budget Operating Revenue x 100	0.826378108 1 221 293 727 1 477 887 320	0.83