

MONTHLY BUDGET STATEMENT: 28 FEBRUARY 2018

MUNICIPAL FINANCE MANAGEMENT ACT NO.56 of 2003(MFMA): MONTHLY FINANCIAL REPORT FOR FEBRUARY 2018 (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. FEBRUARY 2018 REPORT

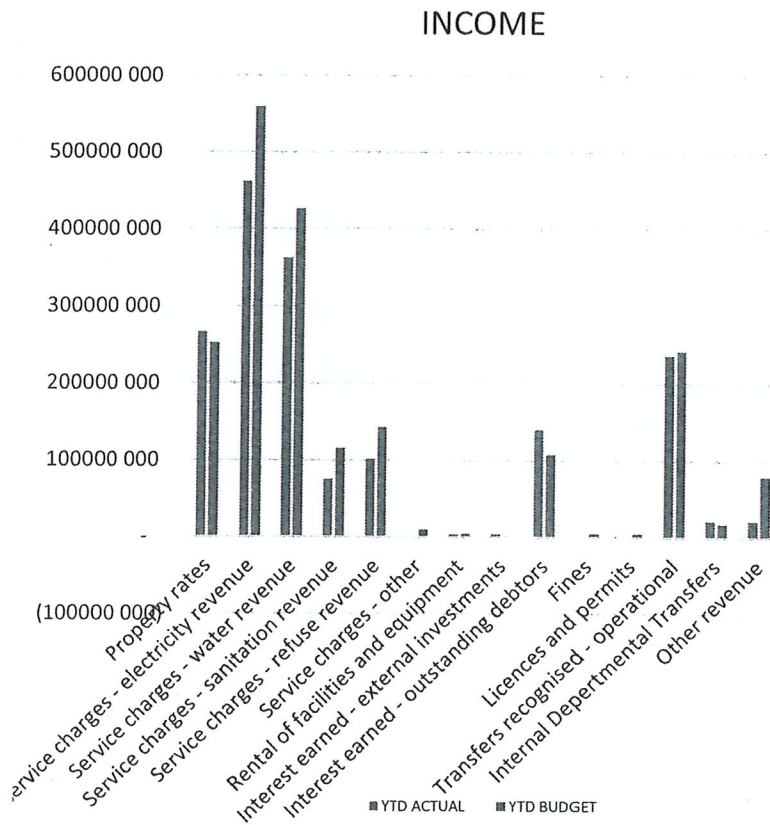
The financial results for the period ended 28 February 2018 are summarized as follows:
Statement of Financial Performance (SFP)

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.

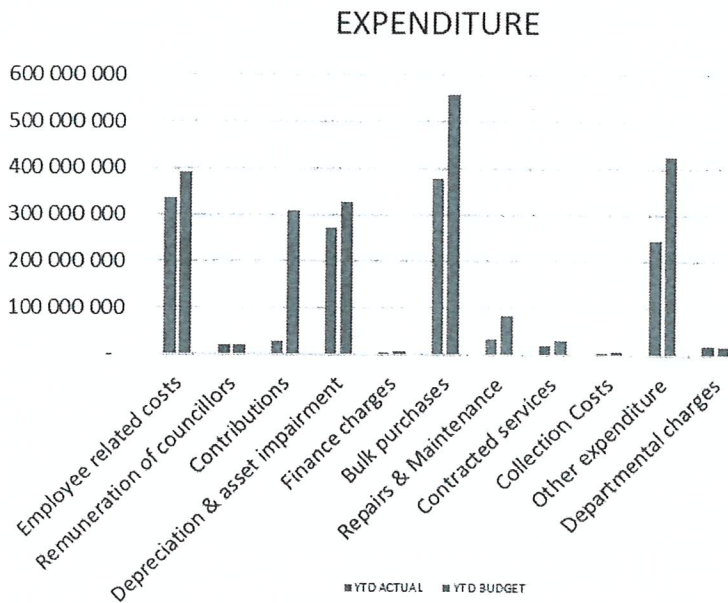
The summary report indicates the following:

Summary statement of Financial Performance				
Description	YTD Budget 2017/18	February Actual 2017/18	YTD Actual 2017/18	Variance Favorable (Unfavorable)
Total Revenue by Source	(1,970,516,427)	(208,635,301)	(1,634,937,697)	(355,578,729)
Total Operating Expenditure	2,184,678,667	200,024,480	1,312,115,946	872,562,721
(SURPLUS)/ DEFICIT	214,162,240	(8,610,821)	(322,821,751)	536,983,991

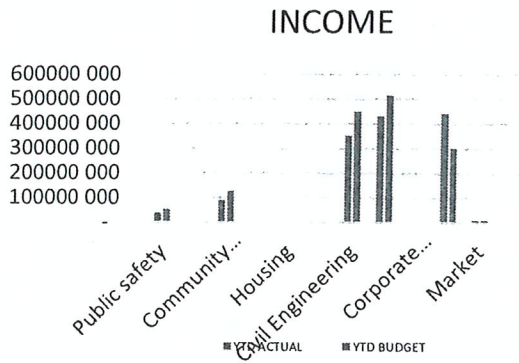
YTD Actual Income vs YTD Budget Income



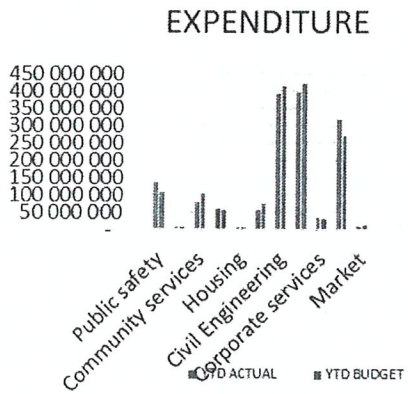
YTD Actual Expenditure vs YTD Budget Expenditure



Operating Income per department



Operating Expenditure per department



GRANTS AND SUBSIDIES

Operational allocation/ Grant received

DESCRIPTION	BUDGET 2017/18	FEBRUARY RECEIVED 2017/18	YTD ACTUAL RECEIVED 2017/18	YTD%
Equitable shares grants	354,377,000	0	264,542,000	74.65%
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	674,000	2,246,000	100%
TOTAL	364,259,613	674,000	270,133,000	74.16%

Operational Grant spending

DESCRIPTION	BUDGET 2017/18	FEBRUARY SPENDING 2017/18	YTD ACTUAL 2017/18	YTD%
Equitable shares grants	354,377,000	29,531,417	236,251,335	66.67%
Finance Management grant	2,145,000	115,712	624,133	29.10%
Improvement of Library services	1,200,000	18,630	57,079	4.76%
PMU	4,291,613	235,370	1,965,973	45.81%
EPWP	2,246,000	211,564	1,149,659	51.19%
TOTAL	364,259,613	30,112,694	240,048,179	65.90%

CAPITAL GRANT RECEIVED

DESCRIPTION	BUDGET	FEBRUARY RECEIVED 2017/18	YTD ACTUAL RECEIVED	YTD%
MIG	84,588,950	0	59,657,000	70.53%
NDPG	75,000,000	8,755,000	48,755,000	65.01%
INEP	14,000,000	2,000,000	14,000,000	100%
PMU	160,435	0	0	0%
PIG	22,000,000	0	14,808,404	67.31
TOTAL	195,749,385	10,755,000	137,220,404	70.10%

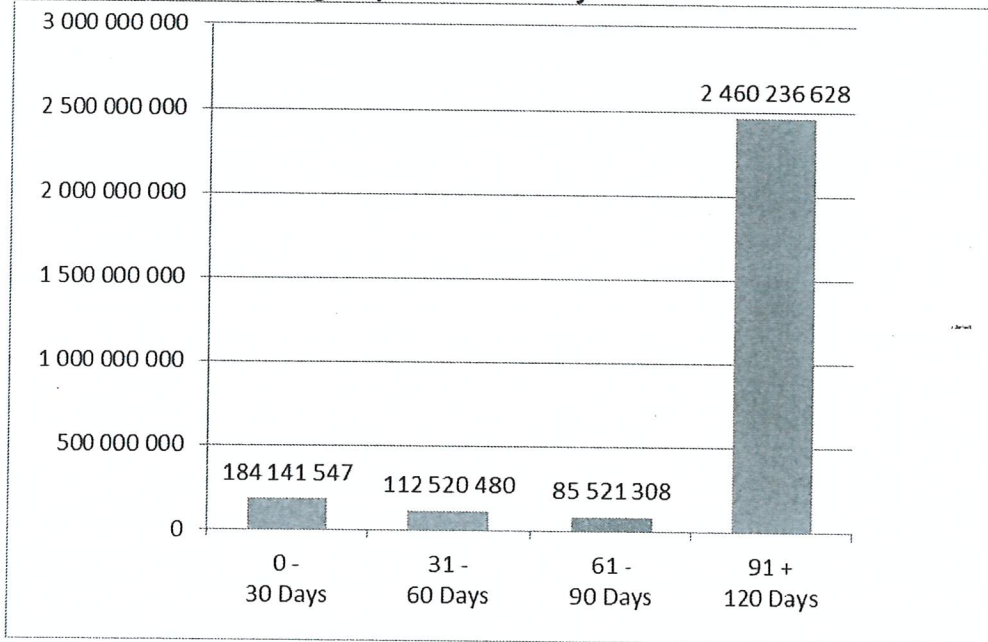
DESCRIPTION	BUDGET	FEBRUARY SPENDING 2017/18	YTD ACTUAL	YTD%
NDPG	75,000,000	3,319,959	32,245,308	42.99%
INEP	14,000,000	0	5,936,925	42.41%
PMU	160,435	0	0	0%
PIG Sewer	22,000,000	0	14,808,403	67.31

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 28 February 2017 amounts to R 2.658 billion.

A detailed Age Analysis is on annexure D.

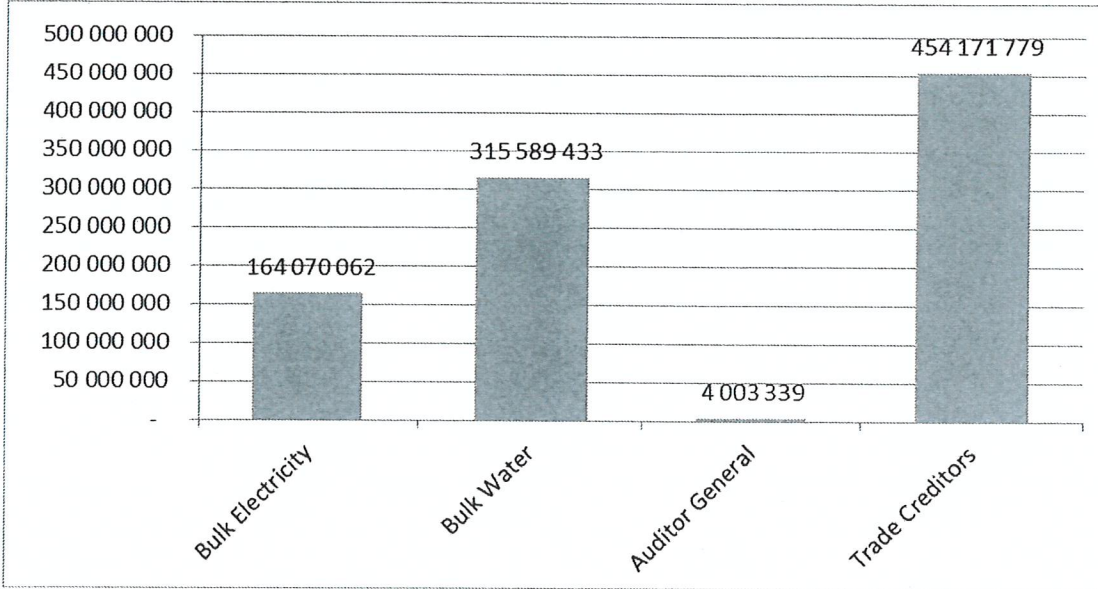
Debtors by Customer group – 28 February 2018



- Debtors' book has increased by R143 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 148,868,220 as at 28 February 2018.

	Investments				
	Fixed	Call	Long Term	Collateral	Total
Institution	R	R	R	R	R
ABSA		112,867,158			112,867,158
FNB			108,774		108,774
Investec		5,833,259			5,833,259
Nedcor				21,697,304	21,697,304
Sanlam (Policy)	8,361,725				8,361,725
	8,361,725	121,004,378	99,413	21,697,304	148,868,220

ANNEXURE G (BORROWINGS)

The total amount outstanding on external loans at the end of February 2018 amount to R60,557,704,21.

ANNEXURE I

RATIOS

FINANCIAL IMPLICATIONS

The report covers the period from 1 July 2017 to 28 February 2018. 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 1,634 billion is less than projected of R 1.970 billion YTD budget (Pro-rata) and vary by R355, 5 million. Year to date actual expenditure of R 1.312 billion is less than projected expenditure of R2, 184 billion YTD budget (Pro-rata) and vary by R 8,725 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) - February 2018

Current Year 2017/18

Description	Original Budget	February Actual 2017/18	YTD ACTUAL	YTD BUDGET	Variance	YTD %	Variance%
Revenue By Source							
Property rates	(378 837 000)	(24 680 768)	(266 870 108)	-252 558 000	(14 312 108)	70.44	5.67
Service charges - electricity revenue	(838 331 000)	(56 149 352)	(461 391 460)	-558 887 333	97 495 873	55.04	(17.44)
Service charges - water revenue	(639 296 000)	(54 890 954)	(362 259 305)	-426 197 333	63 938 029	56.67	(15.00)
Service charges - sanitation revenue	(173 694 000)	(9 419 210)	(75 331 628)	-115 796 000	40 464 372	43.37	(34.94)
Service charges - refuse revenue	(215 011 000)	(12 725 159)	(101 601 017)	-143 340 667	41 739 650	47.25	(29.12)
Service charges - other	(15 000 000)	(3 394)	34 620	-10 000 000	10 034 620	(0.23)	-
Rental of facilities and equipment	(6 586 640)	(194 112)	(3 314 221)	-4 391 093	1 076 872	50.32	(24.52)
Interest earned - external investments	(2 500 000)	(3 734 888)	(3 735 158)	-1 666 667	(2 068 491)	149.41	124.11
Interest earned - outstanding debtors	(161 884 000)	(18 378 875)	(140 298 274)	-107 922 667	(32 375 607)	86.67	30.00
Fines	(7 452 000)	(331 688)	(1 008 307)	-4 968 000	3 959 693	13.53	(79.70)
Licences and permits	(7 529 000)	(168 974)	(579 210)	-5 019 333	4 440 123	7.69	(88.46)
Transfers recognised - operational	(364 262 000)	(25 711 780)	(237 238 592)	-242 841 333	5 602 741	65.13	(2.31)
Internal Departmental Transfers	(26 505 731)	(3 124 971)	(21 665 831)	-17 670 487	(3 995 343)	81.74	22.61
Other revenue	(118 886 269)	(2 740 735)	(21 568 002)	-79 257 513	57 689 510	18.14	(72.79)
Gains on disposal of PPE	-	-	-	0	-	-	-
Total Revenue	(2 955 774 640)	(212 254 860)	(1 696 826 492)	(1 970 516 427)	273 689 934	57.41	(13.89)
Expenditure By Type							
Employee related costs	586 853 000	45 338 094	337 311 965	391 235 333	53 923 368	57.48	13.78
Remuneration of councillors	31 657 000	2 766 928	22 110 170	21 104 667	(1 005 503)	69.84	(4.76)
Contributions	462 621 000	-	28 192 685	308 414 000	280 221 315	6.09	90.86
Depreciation & asset impairment	492 000 000	34 212 995	273 703 959	328 000 000	54 296 041	55.63	16.55
Finance charges	11 000 000	492 942	4 563 637	7 333 333	2 769 696	41.49	37.77
Bulk purchases	837 563 000	88 817 773	379 608 473	558 375 333	178 766 860	45.32	32.02
Repairs & Maintenance	126 791 000	2 982 841	35 465 208	84 527 333	49 062 125	27.97	58.04
Contracted services	48 250 824	5 022 407	21 640 026	32 167 216	10 527 190	44.85	32.73
Collection Costs	13 500 000	228 188	5 208 539	9 000 000	3 791 461	38.58	42.13
Other expenditure	640 276 448	21 231 440	245 130 605	426 850 965	181 720 360	38.29	42.57
Departmental charges	26 505 728	2 550 432	21 069 474	17 670 485	(3 398 989)	79.49	(19.24)
Internal recoveries (amount charge out)	-	-	-	-	-	-	-
Total Expenditure	3 277 018 000	203 644 039	1 374 004 741	2 184 678 667	810 673 926	41.93	37.11
(Surplus)/Deficit	321 243 360	(8 610 821)	(322 821 751)	214 162 240	(536 983 991)		
TOTAL REVENUE	(2 955 774 640)	(212 254 860)	(1 696 826 492)	(1 970 516 427)	(273 689 934)	57.41	13.89
LESS REVENUE FOREGONE	-	3 619 559	61 888 795	-	(61 888 795)		
Income forgone on assessment rate	43 528 512	3 619 559	61 888 795	25 391 632	(36 497 163)	142.18	(143.74)
Income forgone on other	-	-	-	-	-		
TOTAL INCOME	(2 955 774 640)	(208 635 301)	(1 634 937 697)	(1 970 516 427)	(335 578 729)	55.31	17.03
Total expenditure after deduct reve	3 277 018 000	200 024 480	1 312 115 946	2 184 678 667	872 562 721	40.04	39.94
(Surplus)/ Deficit for the year	321 243 360	(8 610 821)	(322 821 751)	214 162 240	536 983 991	-100.49	6.97

GRANTS AND SUBSIDIES - February 2018
Operational allocation/grant received

	BUDGET	FEB 2017/18	YTD	YTD%
Equitable shares grants	354 377 000		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	674 000	2 246 000	100.00
				-
	364 259 613	674 000	270 133 000	74.16
CAPITAL GRANT RECEIVED				
MIG	84 588 950	-	59 657 000	70.53
NDPG	75 000 000	8 755 000	48 755 000	65.01
DME/INER	14 000 000	2 000 000	14 000 000	100.00
PMU	160 435	-	-	-
PIG Sewer	22 000 000	-	14 808 404	67.31
	195 749 385	10 755 000	137 220 404	70.10

GRANTS AND SUBSIDIES - NOVEMBER 2017

Operational allocation/grant spending

	BUDGET	FEB 2017/18	YTD EXPENDITURE	YTD%
Equitable shares grants	354 377 000	29 531 417	236 251 335	66.67
Finance Management Grant	2 145 000	115 712	624 133	29.10
Improvement of library services	1 200 000	18 630	57 079	4.76
PMU	4 291 613	235 370	1 965 973	45.81
EPWP (arbour week)	2 246 000	211 564	1 149 659	51.19
				-
	364 259 613	30 112 694	240 048 179	65.90
CAPITAL GRANT EXPENDITURE				
MIG	84 588 950	8 108 599	42 310 217	50.02
NDPG	75 000 000	3 319 959	32 245 308	42.99
DME/INER	14 000 000		5 936 925	42.41
PMU	160 435		-	-
PIG Sewer	22 000 000		14 808 403	67.31
	195 749 385	11 428 558	95 300 853	48.69

ANNEXURE B

Cash Flow Statement for the month of February 2018

Cash Receipts by Source	February 2018
Property rates	6 954 430
Service charges - electricity revenue	14 698 352
Service charges - water revenue	8 340 575
Service charges - sanitation revenue	1 849 398
Service charges - refuse revenue	1794295
Service charges - other	15566200
Rental of facilities and equipment	86 400
Interest earned - external investments	
Interest earned - outstanding debtors	
Fines	336 507
Licences and permits	168 974
Transfer receipts - operational grants	674 000
Other revenue	47 005 385
Cash Receipts by Source	97 474 516
Transfer receipts - capital grants	10 755 000
Proceeds on disposal of PPE	-
Total Cash Receipts by Source	108 229 516
Proceeds on disposal of PPE	
Short term loan	
Borrowing long term/ Refinancing	
Increase (decrease) in consumer deposits	
Decrease (increase) in non - current debtors	-
Decrease (increase) in non - current	-
Decrease (increase) in non- current investment	-
Total Cash Receipts by Source	108 229 516
Cash Payments by Type	
Employee related costs	45 338 094
Remuneration of councillors	2 766 928
Collection costs	90 198
Interest paid	199 399
Bulk purchases - Electricity	902 791
Bulk purchases - Water	18 459 889
Repairs and maintenance	1 533 359
Contracted services	3 033 745
General expenses	16 877 116
Cash Payments by Type	89 201 519
Other Cash Flows/Payments by Type	
Capital assets	11 663 928
Repayment of borrowing	391 412
Other Cash Flows/Payments	12 055 340
Investment	-
Total Cash Payments by Type	101 256 859
Net increase/(decrease) in cash held	6 972 657
Cash/ cash equivalent at the month begin	115 188 566
Cash/ cash equivalent at the month end	122 161 223

NW403 City Of Matlosana - Budgeted Capital Expenditure - February 2018

	Original Budget	February 2018	YTD Actual	YTD Budget	Variance	YTD %
Capital Expenditure						
<i>Council General</i>	35 000 000	52 483	52 483	23 333 333	(23 280 850)	0.15
Council General Admin	35 000 000	52 483	52 483	23 333 333	(23 280 850)	0.15
<i>Municipal & Environmental Services</i>	10 952 000	-	-	7 301 333	(7 301 333)	-
Community and social services	-	-	-	-	-	-
Sport and recreation	10 952 000	-	-	7 301 333	(7 301 333)	-
Refuse removal	-	-	-	-	-	-
Public Safety	-	-	-	-	-	-
Health	-	-	-	-	-	-
Cemetary	-	-	-	-	-	-
<i>Finance</i>	5 000 000	-	-	3 333 333	(3 333 333)	-
ICT Hard/software	5 000 000	-	-	3 333 333	(3 333 333)	-
<i>Macro city planning & Development</i>	-	-	-	-	-	0
Market	-	-	-	-	-	0
<i>Civil Services & Human Settlement</i>	140 891 000	11 428 557	74 531 212	93 927 333	(19 396 122)	52.90
Water	42 187 000	8 108 599	37 961 008	28 124 667	9 836 341	89.98
Waste water management(Sewer)	7 484 000	-	1 359 786	4 989 333	(3 629 547)	18.17
Roads	91 220 000	3 319 959	35 210 418	60 813 333	(25 602 916)	38.60
Housing	-	-	-	-	-	-
PMU Unit	-	-	-	-	-	-
umping side	-	-	-	-	-	-
<i>Electrical & Mechanical Engineering</i>	21 904 000	-	7 884 541	14 602 667	(6 718 125)	36.00
Electrical	21 904 000	-	7 884 541	14 602 667	(6 718 125)	36.00
Total Capital Expenditure	213 747 000	11 481 040	82 468 236	142 498 000	(60 029 764)	38.58

CAPITAL FUNDING

National government	173 747 000	11 428 557	82 415 752	115 831 333	(33 415 581)	47.43
Provincial government	-	-	-	-	-	-
District municipality	-	-	-	-	-	-
Borrowing	30 000 000	-	-	20 000 000	(20 000 000)	-
Internal Generated funds	10 000 000	52 483	52 483	6 666 667	(6 614 184)	0.52
Financing Total	213 747 000	11 481 040	82 468 235	142 498 000	(60 029 765)	38.58

ANNEXURE D
DEBTOR'S AGE ANALYSIS - February 2018

Detail	0 - 30 Days	31 - 60 Days	61 - 90 Days	91 + 120 Days	Total
Debtors Age Analysis By Income Source					
Water Tariffs	49 056 319	31 480 963	27 664 031	820 187 603	928 388 916
Electricity Tariffs	43 733 028	25 796 378	14 267 608	204 135 384	287 932 398
Rates (Property Rates)	18 003 558	12 581 549	6 293 400	152 376 054	189 254 561
Sewerage/ Sanitation	6 916 665	5 396 901	4 295 839	144 662 801	161 272 206
Refuse Removal Tariffs	9 085 141	7 602 594	6 629 255	249 625 482	272 942 472
Other	57 346 836	29 662 095	26 371 175	889 249 304	1 002 629 410
Total By Income Source	184 141 547	112 520 480	85 521 308	2 460 236 628	2 842 419 963
Debtors Age Analysis By Customer Group					
Government	5 133 135	4 653 950	4 315 006	39 215 097	53 317 188
Business	43 736 282	26 181 090	15 826 548	264 326 510	350 070 430
Households	133 863 086	81 083 727	64 863 040	2 107 942 669	2 387 752 522
Other	1 409 043	601 713	516 714	48 752 352	51 279 822
Total By Customer Group	184 141 547	112 520 480	85 521 308	2 460 236 628	2 842 419 963

ANNEXURE D
DEBTOR'S AGE ANALYSIS - January 2018

Detail	0 -	31 -	61 -	91 +	Total
	30 Days	60 Days	90 Days	120 Days	
Debtors Age Analysis By Income Source					
Water Tariffs	35 499 572	29 351 938	26 044 482	797 379 230	888 275 222
Electricity Tariffs	35 245 003	16 637 045	10 670 826	196 728 483	259 281 357
Rates (Property Rates)	17 279 448	7 371 740	6 021 487	148 264 146	178 936 821
Sewerage/ Sanitation	6 298 401	4 615 897	4 212 509	141 121 215	156 248 022
Refuse Removal Tariffs	8 531 896	6 927 123	6 543 135	243 724 782	265 726 936
Other	32 214 983	27 134 789	26 109 876	865 534 860	950 994 508
Total By Income Source	135 069 303	92 038 532	79 602 315	2 392 752 716	2 699 462 866
Debtors Age Analysis By Customer Group					
Government	5 010 639	4 407 841	2 802 969	36 853 378	49 074 827
Business	36 820 096	17 421 509	12 429 106	255 173 572	321 844 283
Households	92 441 176	69 627 229	63 821 769	2 051 881 387	2 277 771 561
Other	797 392	581 953	548 471	48 844 379	50 772 195
Total By Customer Group	135 069 303	92 038 532	79 602 315	2 392 752 716	2 699 462 866

ANNEXURE E
OUTSTANDING CREDITORS STATEMENT - FEBRUARY 2018

Detail	0 - 30 Days	31 - 60 Days	61 - 90 Days	91 - 120 Days	121 +Days	Total
Bulk Electricity	44 590 011	-	46 797 067	-	72 692 984	164 070 062
Bulk Water	33 370 660	2 088 337	38 015 500	8 111 636	234 023 281	315 589 433
Auditor General	209 645	104 002	1 295 670	1 267 987	1 136 036	4 003 339
Trade Creditors	349 274 249	-	541 308	4 830 702	99 529 520	454 171 779
Total	427 444 566	2 172 358	86 649 545	14 200 324	407 367 820	937 834 613

ANNEXURE F

Investment Portfolio: 28 February 2018
City of Matlosana

INSTITUTION	INTEREST RATE	PERIOD	JANUARY 2018	FEBRUARY 2018	MATURITY DATE	EXPLANATION
Call Investment						
ABSA: 3854	3.73%		12 351.28	12 276.00		
ABSA: 5047	4.70%		9 478 877.74	11 514 702.70		INEP
ABSA: 6177	6.75%		27 647 412.00	23 656 161.60		MIG
ABSA: 2264	4.70%		4 610 378.90	4 627 803.61		
ABSA: 4682	6.65%		21 551 879.42	30 424 027.17		NDPG
ABSA: 4063	1.55%		173 665.66	173 857.41		
ABSA: 1223	6.75%		41 181 124.29	42 458 329.67		
INVESTEC	6.80%		5 804 095.44	5 833 259.03		
TOTAL Call Investment			110 459 784.73	118 700 417.19		
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	94 773.77	94 773.77		Housing Collateral
FNB	9.50%	1 YEAR	14 000.00	14 000.00		Housing Collateral
TOTAL			108 773.77	108 773.77		
TOTAL INVESTMENTS			140 627 587.76	148 868 220.22		

Withdraw R5 000 000 from ABSA call - 01 February 2018
 Withdraw R6 000 000 from ABSA call - 06 February 2018
 Invest R10 000 000 with ABSA on call - 09 February 2018
 Invest R10 000 000 with ABSA on call - 14 February 2018
 Invest R5 000 000 with ABSA on call - 16 February 2018
 Invest R2 000 000 with ABSA on call (INEP) - 16 February 2018
 Withdraw R10 000 000 from ABSA call - 23 February 2018
 Withdraw R4 150 208 from ABSA call (MIG) - 26 February 2018
 Invest R8 755 000 with ABSA on call (NDPG) - 27 February 2018
 Withdraw R3 000 000 from ABSA call - 28 February 2018

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

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

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

Annexure C AS AT 28 FEBRUARY 2012

Borrowing Reference No	Start Date	End Date	Borrowing Period Years	Original Loan	Lender	Purpose	% Interest Rate (2 dec) Per Annum	Interest Paid This quarter	Opening Balance 01/07/2017	Debt Repaid or Re-deemed	Additional Principal Accrued	Balance at 28/02/2018	Redemption 20/7/2018
ANNUITY LOANS													
NW10859	1/10/1997	30/09/2017	20	7438371	Development Bank of SA	Provision of Infrastructure	15	41 755.55	555 219.59	555 219.59	0.00	0.00	555 219.59
NW11182	1/10/1998	30/09/2018	20	7435456	Development Bank of SA	Provision of Infrastructure	15.25	123 395.28	1 613 877.18	499 105.06	0.00	1 114 772.12	1 036 316.74
NW13637	1/10/2000	30/09/2020	20	3951600	Development Bank of SA	Provision of Infrastructure	15.6	137 656.53	1 760 005.32	198 304.26	0.00	1 561 701.06	472 888.92
NW13874/1	1/10/2001	30/09/2019	18	10000000	Development Bank of SA	Combination	14.75	55 716.25	1 111 111.11	277 777.77	0.00	833 333.34	555 555.54
NW13874/2	1/7/2001	30/06/2019	18	14998125	Development Bank of SA	Combination	14.75	753 894.02	14 998 125.00	0.00	0.00	14 998 125.00	555 555.54
NW101297/1	1/7/2004	30/06/2019	15	28770000	Development Bank of SA	Combination	11.2	385 643.91	6 830 358.54	1 568 551.40	0.00	5 261 807.14	3 229 308.10
NW101297/2	1/7/2004	30/06/2019	15	37000000	Development Bank of SA	Combination	11.2	482 561.84	8 546 927.00	1 962 751.18	0.00	6 584 175.82	4 040 880.20
NW103877/1	1/11/2010	1/11/2025	15	35288878	Development Bank of SA	Provision of Infrastructure	14.75	1 776 990.08	25 781 177.28	1 388 522.20	0.00	24 422 655.08	2 071 048.18
10555	31/03/1988	31/03/2018	20	13360746	Development Bank of SA	Provision of Infrastructure	15	136 939.74	1 820 874.49	877 658.04	0.00	943 216.45	1 820 874.49
10906	30/09/1999	30/09/2019	20	5597000	Development Bank of SA	Provision of Infrastructure	15.25	123 338.42	1 613 133.45	276 973.80	0.00	1 336 159.65	575 348.47
10912	30/09/1999	30/09/2019	20	7477000	Development Bank of SA	Provision of Infrastructure	15.25	182 638.75	2 388 978.41	410 165.98	0.00	1 978 793.43	852 965.70
10913	30/09/1999	30/09/2019	20	5780000	Development Bank of SA	Provision of Infrastructure	15.25	140 562.08	1 838 662.02	315 696.90	0.00	1 522 965.12	655 786.67
TOTAL ANNUITIES								4 341 132.46	68 669 450.39	8 300 746.18	0.00	60 557 704.21	15 804 802.60

Template for Calculation of Uniform Financial Ratios and Norms

RATIO	FORMULA	2018-FEBRUARY-26	MUNICIPAL COMMENTS (R)
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	6% 6% 1 312 115 946 82 468 236 0	The ratio will increasing as capital expenditure accelerates.
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	0.003478074 4 563 637 1 312 115 946	0.0035 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.
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	0.024193949 60 557 704 2 260 169 000 -242 841 333	0.024
2. FINANCIAL PERFORMANCE			
1 Net Operating Surplus Margin	(Total Operating Revenue - Total Operating Expenditure)/Total Operating Revenue	0.419461135 2 260 169 000 1 312 115 946	0.4195 The restated assets register and the accompanying higher depreciation have a significant impact on financial performance of the municipality.
D. Expenditure Management			
1 Creditors Payment Period (Trade Creditors)	Trade Creditors Outstanding / Credit Purchases (Operating and Capital) x 365	235.3267923 937 834 613 1 454 613 946	235.33 Still way behind acceptable.
2 Remuneration as % of Total Operating Expenditure	Remuneration (Employee Related Costs and Councillors' Remuneration) /Total Operating Expenditure x100	0.314255765 412 340 000 1 312 115 946	0.31 Below NT norm
2 Contracted Services % of Total Operating Expenditure	Contracted Services / Total Operating Expenditure x100	0.016492465	The proposed lower ratio is a product of a change to create in

21 640 026
1 312 115 946

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	0.06364026	There should be an increase in the ratio as the current capital spending accelerates.
		0	
		52 483	
		82 468 236	
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	0.95	
		1 634 937 697	
		88 727 650	
		0	

3. BUDGET IMPLEMENTATION

1 Capital Expenditure Budget Implementation Indicator	Actual capital Expenditure / Budget Capital Expenditure x 100	0.385821723	0.39 Should be at 67%.
		82 468 236	
		213 747 000	
2 Operating Expenditure Budget Implementation Indicator	Actual Operating Expenditure / Budgeted Operating Expenditure x 100	0.600599057	0.60
		1 312 115 946	
		2 184 678 667	
3 Operating Revenue Budget Implementation Indicator	Actual Operating Revenue / Budget Operating Revenue x 100	0.829700111	0.83
		1 634 937 697	
		1 970 516 427	