

MONTHLY BUDGET STATEMENT: 31 JULY 2017

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

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

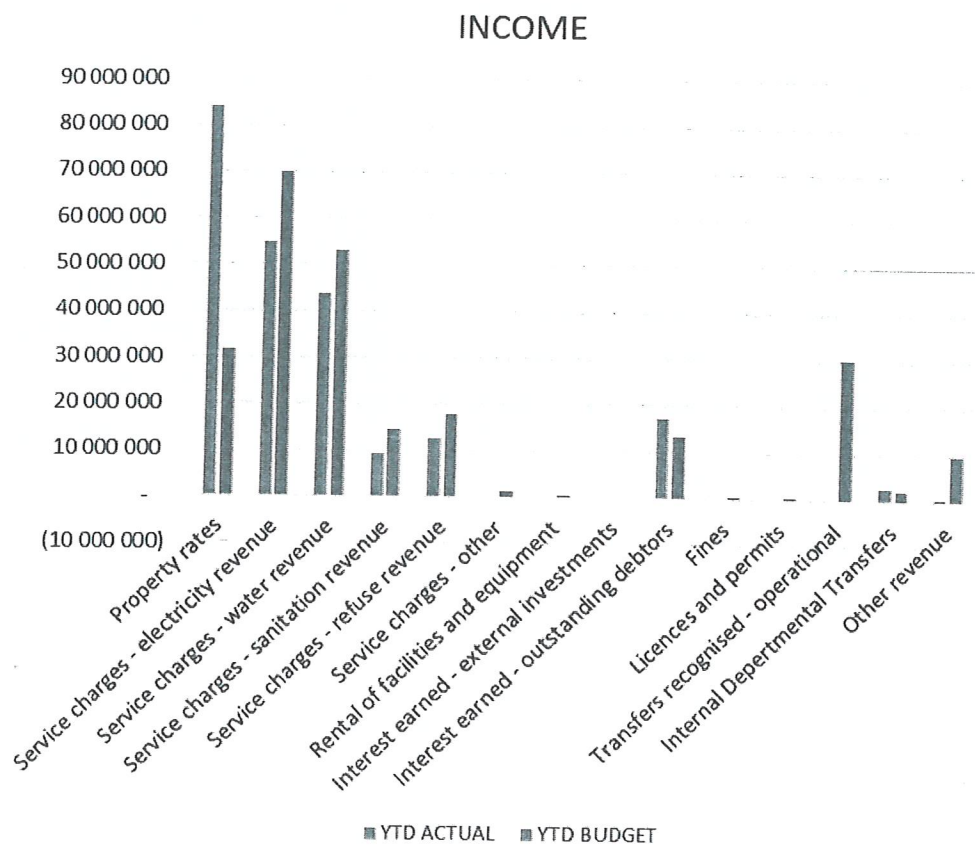
Statement of Financial Performance (SFP)

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.

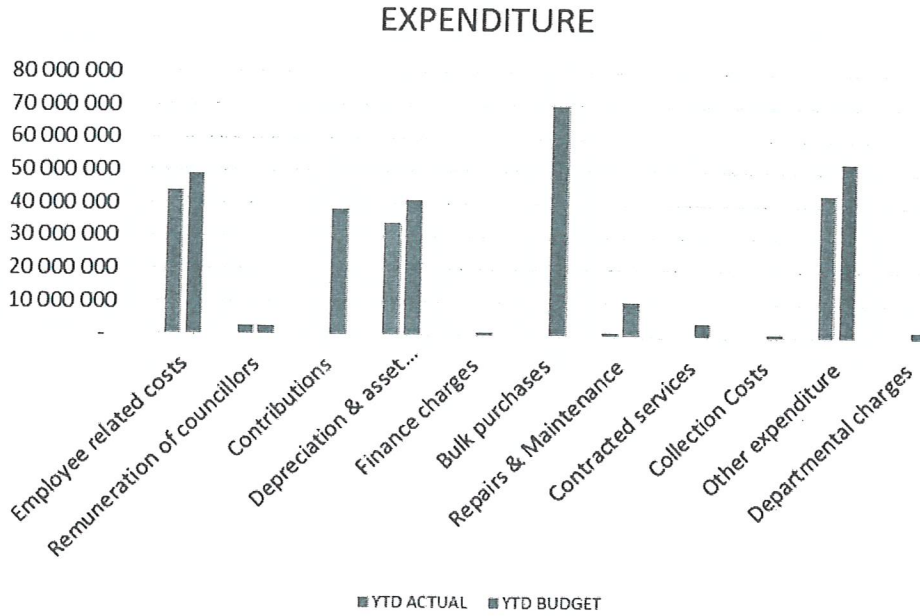
The summary report indicates the following:

Summary statement of Financial Performance				
Description	YTD Budget 2017/18	July Actual 2017/18	YTD Actual 2017/18	Variance Favourable (Unfavourable)
Total Revenue by Source	(246,314,553)	(189,078,286)	(189,078,286)	(57,236,267)
Total Operating Expenditure	273,084,833	88,600,882	88,600,882	184,483,951
(SURPLUS)/ DEFICIT	26,770,280	(100,477,404)	(100,477,404)	127,247,684

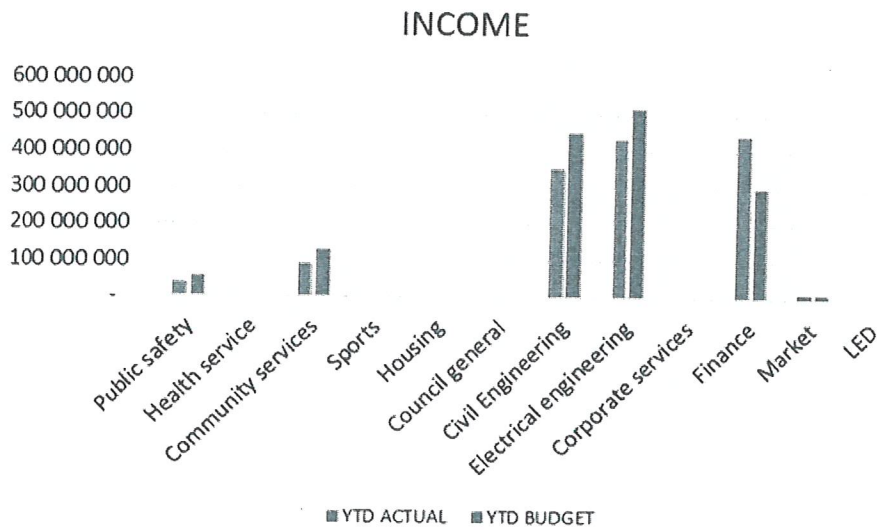
YTD Actual Income vs YTD Budget Income



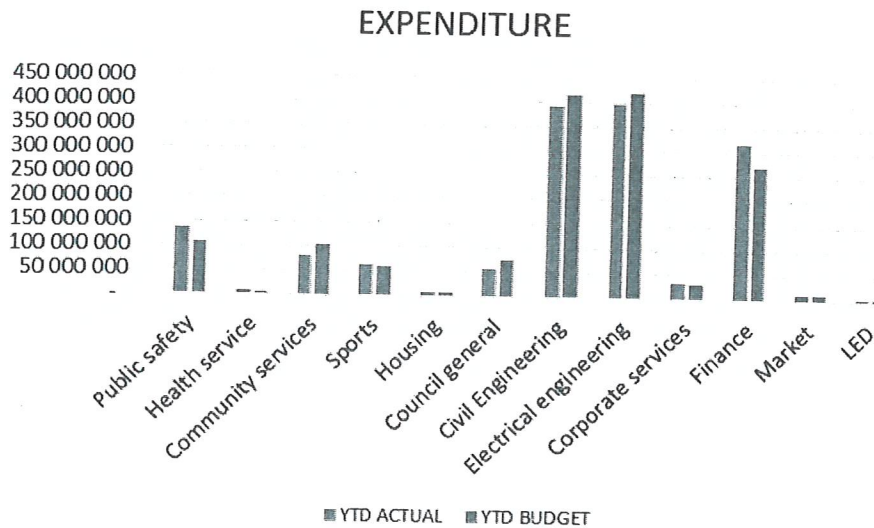
YTD Actual Expenditure vs YTD Budget Expenditure



Operating Income per department



Operating Expenditure per department



GRANTS AND SUBSIDIES

Operational allocation/ Grant received

DESCRIPTION	BUDGET 2017/18	JULY RECEIVED 2017/18	YTD ACTUAL RECEIVED 2017/18	YTD%
Equitable shares grants	354,377,000	147,658,000	147,658,000	41.67%
Finance Management grant	2,145,000	2,145,000	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	0	0	0%
TOTAL	364,259,613	149,803,000	149,803,000	41.13%

Operational Grant spending

DESCRIPTION	BUDGET 2017/18	July Spending 2017/18	YTD ACTUAL 2017/18	YTD%
Equitable shares grants	354,377,000	0	0	0%
Finance Management grant	2,145,000	48,139	48,139	2.24%
Improvement of Library services	1,200,000	951	951	0%
PMU	4,291,613	0		0%
EPWP	2,246,000	0	0	0%
TOTAL	364,259,613	49,090	49,090	0.01%

CAPITAL GRANT RECEIVED

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

DESCRIPTION	BUDGET	JULY SPENDING 2017/18	YTD ACTUAL	YTD%
NDPG	75,000,000	3,776,813	3,776,813	5.04%
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 R360.7 million, for the month of July 2017 includes the following grants:
 - Equitable share R147.7 million
 - FMG R2.1 million
 - MIG R31.2 million
 - NDPG R15 million
- Total cash payments indicate an amount of R53.8 million for the month of July 2017.

Capital expenditure report (Annexure C)

The summary report indicates the following:

Summary statement of Capital Expenditure				
Description	YTD Budget	July Actual 2018	YTD Actual	Variance Favourable (Unfav)
Total Capital Expenditure	17,812,250	3,776,812	3,776,812	(14,035,438)
Capital funding				
National government	(14,478,917)	3,776,812	3,776,812	(10,702,105)
Provincial Government	-	-	-	-
District Municipality	-	-	-	-
Borrowing	2,500,000			(2,500,000)
Internal Generated fund	833,333	-	-	(833,000)
Financial Total	17,812,250	3,776,812	3,776,812	(14,035,438)

- Capital spending of 1.77% is lower than the 8.33% pro-rata.

MIG Spending

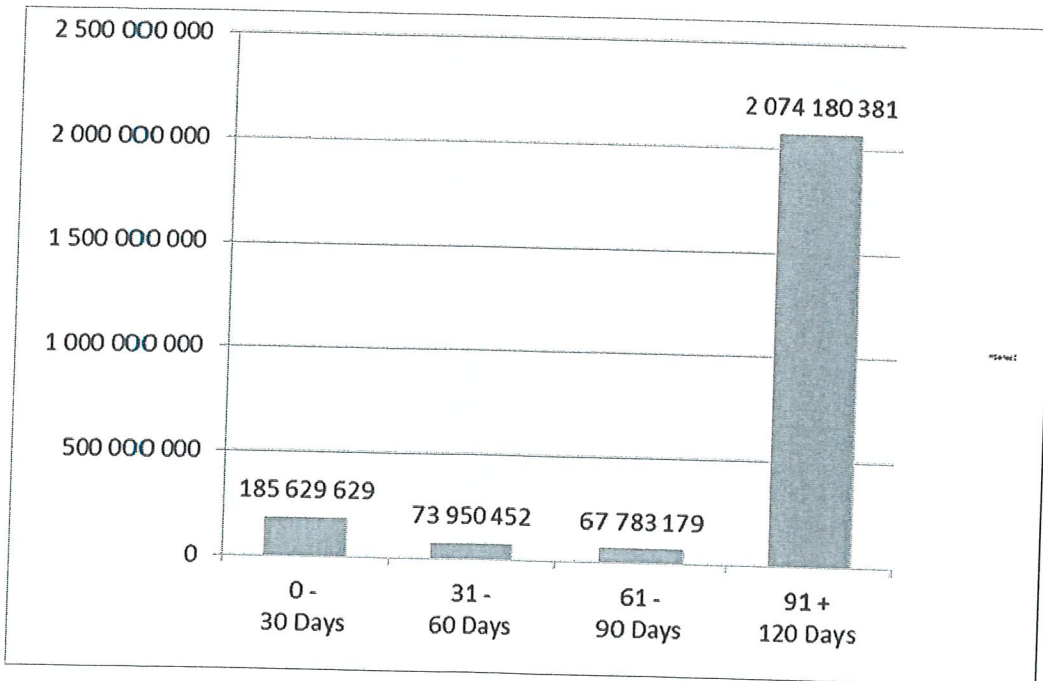
BUDGET	JULY RECEIVED	SPENDING YTD	YTD RECEIVED	%SPENDING
84,588,950	31,164,000	0	31,164,000	0%

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 July 2017 amounts to R 2.215 billion.

A detailed Age Analysis is on annexure D.

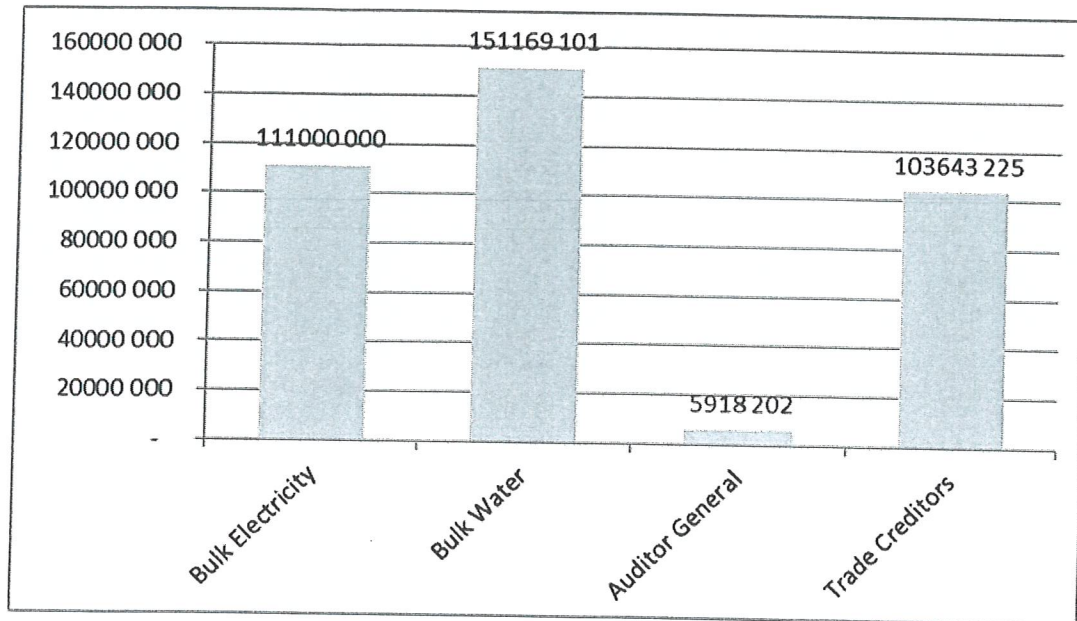
Debtors by Customer group – 31 July 2017



- Debtors' book has increased by R35 million as compared to the previous month.

Outstanding Creditors report (Annexure E)

This graph provides an extended aged analysis, as well as creditor's type. The detailed Age Analysis are on Annexure E.



Outstanding creditors has decreased by R 24.9 million compared to the previous months.

Investment Portfolio (Annexure F)

The table indicates the status of the investment portfolio which amounts to R 192,828,419 as at 31 July 2017.

Institution	Investments				
	Fixed	Call	Long Term	Collateral	Total
	R	R	R	R	R
ABSA		157,053,890			157,053,890
FNB			99,413		99,413
Investec		5,616,087			5,616,087
Nedcor				21,697,304	21,697,304
Sanlam (Policy)	8,361,725				8,361,725
	8,361,725	162,669,977	99,413	21,697,304	192,828,419

ANNEXURE G (BORROWINGS)

The total amount outstanding on external loans at the end of July 2017 amount to R68,698,263.37

ANNEXURE I

RATIOS

FINANCIAL IMPLICATIONS

The report covers the period from 1 July 2017 to 31 July 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 189 million is less than projected of R 246 million YTD budget (Pro-rata) and vary by R 57 million.

Year to date actual expenditure of R 88.6 million is less than projected expenditure of R 273 million YTD budget (Pro-rata) and vary by R 184 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) - July 2017

Current Year 2017/18

Description	Original Budget	JULY 2017/18	YTD ACTUAL	YTD BUDGET	Variance	YTD %	Variance%
Revenue By Source							
Property rates	(378 837 000)	(84 073 019)	(84 073 019)	-31 569 750	(52 503 269)	22.19	166.31
Service charges - electricity revenue	(838 331 000)	(54 855 764)	(54 855 764)	-69 860 917	15 005 153	6.54	(21.48)
Service charges - water revenue	(639 296 000)	(43 665 986)	(43 665 986)	-53 274 667	9 608 681	6.83	(18.04)
Service charges - sanitation revenue	(173 694 000)	(9 423 793)	(9 423 793)	-14 474 500	5 050 707	5.43	(34.89)
Service charges - refuse revenue	(215 011 000)	(12 715 112)	(12 715 112)	-17 917 583	5 202 471	5.91	(29.04)
Service charges - other	(15 000 000)	2 205	2 205	-1 250 000	1 252 205	(0.01)	-
Rental of facilities and equipment	(6 586 640)	(247 654)	(247 654)	-548 887	301 233	3.76	(54.88)
Interest earned - external investments	(2 500 000)	-	-	-208 333	208 333	-	(100.00)
Interest earned - outstanding debtors	(161 884 000)	(17 446 484)	(17 446 484)	-13 490 333	(3 956 151)	10.78	29.33
Fines	(7 452 000)	(6 954)	(6 954)	-621 000	614 046	0.09	(98.88)
Licences and permits	(7 529 000)	-	-	-627 417	627 417	-	(100.00)
Transfers recognised - operational	(364 262 000)	-	-	-30 355 167	30 355 167	-	(100.00)
Internal Departmental Transfers	(26 505 731)	(2 747 780)	(2 747 780)	-2 208 811	(538 969)	10.37	24.40
Other revenue	(118 886 269)	(454 001)	(454 001)	-9 907 189	9 453 188	0.38	(95.42)
Gains on disposal of PPE	-	-	-	0	-	-	-
Total Revenue	(2 955 774 640)	(225 634 342)	(225 634 342)	(246 314 553)	20 680 211	7.63	(8.40)
Expenditure By Type							
Employee related costs	586 853 000	43 836 835	43 836 835	48 904 417	5 067 582	7.47	10.36
Remuneration of councillors	31 657 000	2 515 169	2 515 169	2 638 083	122 914	7.95	4.66
Contributions	462 621 000	-	-	38 551 750	38 551 750	-	100.00
Depreciation & asset impairment	492 000 000	34 212 994	34 212 994	41 000 000	6 787 006	6.95	16.55
Finance charges	11 000 000	-	-	916 667	916 667	-	100.00
Bulk purchases	837 563 000	-	-	69 796 917	69 796 917	-	100.00
Repairs & Maintenance	126 791 000	1 223 974	1 223 974	10 565 917	9 341 943	0.97	88.42
Contracted services	48 250 824	-	-	4 020 902	4 020 902	-	100.00
Collection Costs	13 500 000	-	-	1 125 000	1 125 000	-	100.00
Other expenditure	640 276 448	43 367 966	43 367 966	53 356 371	9 988 405	6.77	18.72
Departmental charges	26 505 728	-	-	2 208 811	2 208 811	-	100.00
Internal recoveries(amount charge ou	-	-	-	-	-	-	-
Total Expenditure	3 277 018 000	125 156 938	125 156 938	273 084 833	147 927 895	3.82	54.17
(Surplus)/Deficit	321 243 360	(100 477 404)	(100 477 404)	26 770 280	(127 247 684)		
TOTAL REVENUE	(2 955 774 640)	(225 634 342)	(225 634 342)	(246 314 553)	(20 680 211)	7.63	8.40
LESS REVENUE FOREGONE	-	36 556 056	36 556 056	-	(36 556 056)		-
Income forgone on assessment rate	43 528 512	36 556 056	36 556 056	3 627 376	(32 928 680)	83.98	(907.78)
Income forgone on other	-	-	-	-	-		
TOTAL INCOME	(2 955 774 640)	(189 078 286)	(189 078 286)	(246 314 553)	(57 236 267)	6.40	23.24
Total expenditure after deduct reve	3 277 018 000	88 600 882	88 600 882	273 084 833	184 483 951	2.70	67.56
TOTAL EXPENDITURE	3 277 018 000	125 156 938	125 156 938	273 084 833	147 927 895	3.82	54.17
Revenue foregone	-	(36 556 056)	(36 556 056)	-	36 556 056		-
(Surplus)/ Deficit for the year	321 243 360	(100 477 404)	(100 477 404)	26 770 280	127 247 684	-31.28	0.92

OPERATING INCOME PER DEPARTMENT AS AT July 2017

DESCRIPTION	BUDGET	JULY	YTD ACTUAL	YTD BUDGET	VARIANCE	VARIANCE	YTD %
Public safety	95 330 893	6 246	6 246	7 944 241	(7 937 995)	-99.92	0.01
Health service	-	-	-	-	-	-	-
Community services	220 391 330	13 172 094	13 172 094	18 365 944	(5 193 850)	-28.28	5.98
Sports	2 232 079	24 949	24 949	186 007	(161 058)	-86.59	1.12
Housing	2 166 080	86 840	86 840	180 507	(93 667)	-51.89	4.01
Council general	3 203 182	29 705	29 705	266 932	(237 227)	-88.87	0.93
Civil Engineering	826 495 380	53 714 988	53 714 988	68 874 615	(15 159 627)	-22.01	6.50
Electrical engineering	861 685 278	56 996 476	56 996 476	71 807 107	(14 810 631)	-20.63	6.61
Corporate services	4 492 179	14 856	14 856	374 348	(359 492)	-96.03	0.33
Finance	918 209 218	65 032 132	65 032 132	76 517 435	(11 485 303)	-15.01	7.08
Market	21 569 021	-	-	1 797 418	(1 797 418)	-100.00	-
LED	-	-	-	-	-	-	-
TOTAL	2 955 774 640	189 078 286	189 078 286	246 314 553	(57 236 267)	-23.24	6.40

OPERATING EXPENDITURE PER DEPARTMENT

DESCRIPTION	BUDGET	JULY	YTD ACTUAL	YTD BUDGET	VARIANCE	VARIANCE	YTD %
Public safety	211 969 544	7 403 989	7 403 989	17 664 129	(10 260 140)	-58.08	3.49
Health service	9 649 658	459 658	459 658	804 138	(344 480)	-42.84	4.76
Community services	216 166 471	10 254 068	10 254 068	18 013 873	(7 759 805)	-43.08	4.74
Sports	114 357 160	7 400 721	7 400 721	9 529 763	(2 129 042)	-22.34	6.47
Housing	11 321 100	777 438	777 438	943 425	(165 987)	-17.59	6.87
Council general	169 956 453	5 358 322	5 358 322	14 163 038	(8 804 716)	-62.17	3.15
Civil Engineering	948 642 258	35 794 563	35 794 563	79 053 522	(43 258 959)	-54.72	3.77
Electrical engineering	859 939 220	10 950 748	10 950 748	71 661 602	(60 710 854)	-84.72	1.27
Corporate services	62 609 135	3 188 131	3 188 131	5 217 428	(2 029 297)	-38.89	5.09
Finance	632 554 006	5 448 753	5 448 753	52 712 834	(47 264 081)	-89.66	0.86
Market	25 050 555	1 190 395	1 190 395	2 087 546	(897 151)	-42.98	4.75
LED	14 802 440	374 096	374 096	1 233 537	(859 441)	-69.67	2.53
TOTAL	3 277 018 000	88 600 882	88 600 882	273 084 833	(184 483 951)	-67.56	2.70
Surplus/Deficit	(321 243 360)	100 477 404	100 477 404	(26 770 280)	127 247 684	-	-

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GRANTS AND SUBSIDIES - July 2017
Operational allocation/grant received

	BUDGET	JULY	YTD RECEIVED	YTD%
Equitable shares grants	354 377 000	147 658 000	147 658 000	41.67
Finance Management Grant	2 145 000	2 145 000	2 145 000	100.00
Improvement of library services	1 200 000	-	-	-
Museum/Grant research and development	-	-	-	-
PMU	4 291 613	-	-	-
EPWP (arbour week)	2 246 000	-	-	-
	364 259 613	149 803 000	149 803 000	41.13
CAPITAL GRANT RECEIVED				
MIG	84 588 950	31 164 000	31 164 000	36.84
NDPG	75 000 000	15 000 000	15 000 000	20.00
DME/INER	14 000 000	-	-	-
PIG-SEWER	-	-	-	-
PMU	160 435	-	-	-
	173 749 385	46 164 000	46 164 000	26.57

GRANTS AND SUBSIDIES - July 2017
Operational allocation/grant spending

	BUDGET	JULY	YTD EXPENDITURE	YTD%
Equitable shares grants	354 377 000	-	-	-
Finance Management Grant	2 145 000	48 139	48 139	2.24
Improvement of library services	1 200 000	951	951	0.08
Museum/Grant research and development	-	-	-	-
PMU	4 291 613	-	-	-
EPWP (arbour week)	2 246 000	-	-	-
	364 259 613	49 090	49 090	0.01
CAPITAL GRANT EXPENDITURE				
MIG	84 588 950	-	-	-
NDPG	75 000 000	3 776 813	3 776 813	5.04
DME/INER	14 000 000	-	-	-
PIG-SEWER	-	-	-	-
PMU	160 435	-	-	-
	173 749 385	3 776 813	3 776 813	2.17

ANNEXURE B**Cash Flow Statement for the month of July 2017**

Cash Receipts by Source	July 2017
Property rates	16 861 109
Service charges - electricity revenue	40 341 477
Service charges - water revenue	16 810 532
Service charges - sanitation revenue	4 236 875
Service charges - refuse revenue	3 861 751
Service charges - other	21 777 412
Rental of facilities and equipment	18 521
Interest earned - external investments	-
Interest earned - outstanding debtors	-
Fines	6 954
Licences and permits	-
Transfer receipts - operational grants	149 803 000
Other revenue	68 065 321
Cash Receipts by Source	321 782 952
Transfer receipts - capital grants	46 164 000
Proceeds on disposal of PPE	-
Total Cash Receipts by Source	367 946 952
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
Cash Payments by Type	
Employee related costs	43 836 835
Remuneration of councillors	2 515 169
Collection costs	-
Interest paid	-
Bulk purchases - Electricity	-
Bulk purchases - Water	-
Repairs and maintenance	-
Contracted services	-
General expenses	3 277 428
Cash Payments by Type	49 629 432
Other Cash Flows/Payments by Type	
Capital assets	3 776 812
Repayment of borrowing	391 412
Other Cash Flows/Payments	4 168 224
Investment	222 164 000
Total Cash Payments by Type	53 797 656
Net increase/(decrease) in cash held	84 724 235
Cash/ cash equivalent at the month begin	85 161 054
Cash/ cash equivalent at the month end	169 885 289

ANNEXURE C CAPITAL EXPENDITURE

NW403 City Of Matlosana - Budgeted Capital Expenditure - July 2017

	Original Budget	July 2017	YTD Actual	YTD Budget	Variance	YTD %
Capital Expenditure						
<i>Council General</i>	35 000 000	-	-	2 916 667	(2 916 667)	-
Council General Admin	35 000 000	-	-	2 916 667	(2 916 667)	-
<i>Municipal & Environmental Services</i>	10 952 000	-	-	912 667	(912 667)	-
Community and social services	-	-	-	-	-	-
Sport and recreation	10 952 000	-	-	912 667	(912 667)	-
Refuse removal	-	-	-	-	-	-
Public Safety	-	-	-	-	-	-
Health	-	-	-	-	-	-
Cemetery	-	-	-	-	-	-
<i>Finance</i>	5 000 000	-	-	416 667	(416 667)	-
ICT Hard/software	5 000 000	-	-	416 667	(416 667)	-
<i>Macro city planning & Development</i>	-	-	-	-	-	0
Market	-	-	-	-	-	0
<i>Civil Services & Human Settlement</i>	140 891 000	3 776 812	3 776 812	11 740 917	(7 964 105)	2.68
Water	42 187 000	-	-	3 515 583	(3 515 583)	-
Waste water management(Sewer)	7 484 000	-	-	623 667	(623 667)	-
Roads	91 220 000	3 776 812	3 776 812	7 601 667	(3 824 855)	4.14
Housing	-	-	-	-	-	-
PMU Unit	-	-	-	-	-	-
Dumping side	-	-	-	-	-	-
<i>Electrical & Mechanical Engineering</i>	21 904 000	-	-	1 825 333	(1 825 333)	-
Electrical	21 904 000	-	-	1 825 333	(1 825 333)	-
Total Capital Expenditure	213 747 000	3 776 812	3 776 812	17 812 250	(14 035 438)	1.77

CAPITAL FUNDING

National government	173 747 000	3 776 812	3 776 812	14 478 917	(10 702 105)	2.17
Provincial government	-	-	-	-	-	-
District municipality	-	-	-	-	-	-
Borrowing	30 000 000	-	-	2 500 000	(2 500 000)	-
Internal Generated funds	10 000 000	-	-	833 333	(833 333)	-
Financing Total	213 747 000	3 776 812	3 776 812	17 812 250	(14 035 438)	1.77

ANNEXURE D
DEBTOR'S AGE ANALYSIS - July 2017

Detail	0 - 30 Days	31 - 60 Days	61 - 90 Days	91 + 120 Days	Total
Debtors Age Analysis By Income Source					
Water Tariffs	39 052 327	22 287 595	23 254 636	685 248 352	769 842 910
Electricity Tariffs	52 940 273	11 462 833	7 750 403	176 006 143	248 159 652
Rates (Property Rates)	42 711 236	6 096 701	4 458 855	129 118 822	182 385 614
Sewerage/ Sanitation	7 363 104	3 895 502	3 556 934	124 971 776	139 787 316
Refuse Removal Tariffs	9 959 183	6 284 167	5 791 143	212 990 410	235 024 903
Other	33 603 506	23 923 654	22 971 208	745 844 878	826 343 246
Total By Income Source	185 629 629	73 950 452	67 783 179	2 074 180 381	2 401 543 641
Debtors Age Analysis By Customer Group					
Government	25 490 695	2 869 268	1 059 485	29 187 120	58 606 568
Business	46 905 594	14 434 295	13 297 193	(17 264 411)	57 372 671
Households	107 082 741	58 203 279	55 893 032	1 770 435 704	1 991 614 756
Other	3 270 751	532 014	513 914	45 695 534	50 012 213
Total By Customer Group	185 629 629	73 950 452	67 783 179	2 074 180 381	2 401 543 641

**ANNEXURE E
OUTSTANDING CREDITORS STATEMENT - July 2017**

Detail	0 - 30 Days	31 - 60 Days	61 - 90 Days	91 - 120 Days	121 +Days	Total
Bulk Electricity	72 104 746			17 000 000	21 895 254	111 000 000
Bulk Water	29 212 853	28 575 482	27 892 775	26 850 546	38 637 445	151 169 101
Auditor General	2 984 194	1 169 219	365 382	76 678	1 322 729	5 918 202
Trade Creditors	5 539 668	1 618 490	6 466 023	73 701 340	16 317 704	103 643 225
Total	109 841 461	31 363 191	34 724 180	117 628 564	78 173 132	371 730 528

ANNEXURE F

Investment Portfolio: 31 July 2017
City of Matlosana

INSTITUTION	INTEREST RATE	PERIOD	JUNE 2017	JULY 2017	MATURITY DATE	EXPLANATION
Call Investment						
ABSA: 3854	3.73%		1 733 022.74	208 327.07		MIG
ABSA: 5047	4.70%		46 068.35	46 248.77		
ABSA: 6177	6.75%		400 026.15	31 638 863.01		MIG
ABSA: 2264	4.70%		5 850 846.17	5 873 448.07		
ABSA: 4682	6.65%		18 597 559.96	22 001 777.34		NDPG
ABSA: 4063	1.55%		172 294.69	172 514.19		
ABSA: 1223	6.75%		24 577 371.79	97 112 711.43		
INVESTEC	6.80%		5 584 256.66	5 616 086.92		
TOTAL Call Investment			56 961 446.51	162 669 976.80		
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			87 119 889.05	192 828 419.34		

Withdraw R8 203 257 from ABSA call (NDPG) - 04 July 2017
 Withdraw R3 611 353 from ABSA call (NDPG) - 04 July 2017
 Withdraw R3 421 841 from ABSA call (MIG) - 05 July 2017
 Withdraw R830 324 from ABSA call (MIG) - 05 July 2017
 Invest R15 000 000 with ABSA on call (NDPG) - 07 July 2017
 Invest R20 000 000 with ABSA on call - 12 July 2017
 Invest R147 000 000 with ABSA on call - 12 July 2017
 Invest R9 000 000 with ABSA on call - 13 July 2017
 Withdraw R50 000 000 from ABSA call - 18 July 2017
 Invest R31 164 000 with ABSA on call (MIG) - 19 July 2017
 Withdraw R30 000 000 from ABSA call - 20 July 2017
 Withdraw R20 000 000 from ABSA call - 24 July 2017
 Withdraw R1 537 688 from ABSA call (MIG) - 26 July 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 9 as at 31 July 2017

Borrowing Reference No	Start Date	End Date	Borrowing Period Years	Original Loan	Lender	Purpose	% Interest Rate (2.00) Per Annum	Interest Paid This quarter	Opening Balance 01/07/2016	Debt Repaid or Re-forecast	Additional Principal Accrued	Balance at 30/07/2017	Redemption 30/11/2018
ANNUITY LOANS													
NW10899	1/10/1987	30/09/2017	20	7458371	Development Bank of SA	Provision of Infrastructure	16	0.00	666 219.69	0.00	0.00	666 219.69	666 219.69
NW11182	1/10/1986	30/09/2018	20	7454466	Development Bank of SA	Provision of Infrastructure	16.25	0.00	1 613 877.18	0.00	0.00	1 613 877.18	1 036 318.74
NW13617	1/10/2000	30/09/2020	20	3961890	Development Bank of SA	Provision of Infrastructure	16.6	0.00	1 780 005.32	0.00	0.00	1 780 005.32	412 498.92
NW138741	1/10/2001	30/09/2019	18	10000000	Development Bank of SA	Combination	14.75	0.00	1 111 111.11	0.00	0.00	1 111 111.11	606 888.84
NW138742	1/7/2001	30/06/2019	18	1488126	Development Bank of SA	Combination	14.75	0.00	14 988 126.00	0.00	0.00	14 988 126.00	
NW1012871	1/7/2004	30/06/2019	15	28070000	Development Bank of SA	Combination	11.2	0.00	8 830 358.64	0.00	0.00	8 830 358.64	3 229 308.10
NW1012872	1/7/2004	30/06/2019	15	37000000	Development Bank of SA	Combination	11.2	0.00	8 648 927.00	0.00	0.00	8 648 927.00	4 040 809.20
NW1038771	1/11/2010	31/12/2019	10	38288878	Development Bank of SA	Provision of Infrastructure	14.75	231 226.38	26 781 177.28	160 187.02	0.00	26 620 990.26	2 871 046.18
10658	31/03/1988	31/02/2019	20	13340746	Development Bank of SA	Provision of Infrastructure	15	0.00	1 820 874.49	0.00	0.00	1 820 874.49	1 820 874.49
10806	30/09/1989	30/09/2019	20	6887000	Development Bank of SA	Provision of Infrastructure	16.25	0.00	1 613 133.46	0.00	0.00	1 613 133.46	878 349.47
10912	30/09/1989	30/09/2019	20	7477000	Development Bank of SA	Provision of Infrastructure	16.25	0.00	2 388 879.41	0.00	0.00	2 388 879.41	882 048.70
10913	30/09/1989	30/09/2019	20	8780000	Development Bank of SA	Provision of Infrastructure	16.25	0.00	1 838 682.02	0.00	0.00	1 838 682.02	655 784.07
TOTAL ANNUITIES								231 226.38	68 888 460.39	160 187.02	0.00	68 888 283.37	16 904 902.00

Template for Calculation of Uniform Financial Ratios and Norms

Ratio	Formula	Unit	Value	Interpretation/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	4%	88 600 882 3 776 812 0	The ratio will increasing as capital expenditure accelerates.
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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	0	0.0000 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.
		88 600 882		
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	0.029992376	68 698 263 2 260 169 000	0.030
		-30 355 167		

2. FINANCIAL PERFORMANCE

1 Net Operating Surplus Margin	(Total Operating Revenue - Total Operating Expenditure)/Total Operating Revenue	0.960799001	2 260 169 000 88 600 882	0.9608 The restated assets register and the accompanying higher depreciation have a significant impact on financial performance of the municipality.
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D. Expenditure Management

1 Creditors Payment Period (Trade Creditors)	Trade Creditors Outstanding / Credit Purchases (Operating and Capital) x 365	1275.046041	371 730 528 106 413 132	1275.05 Improvement, but still way behind acceptable.
2 Remuneration as % of Total Operating Expenditure	Remuneration (Employee Related Costs and Councillors' Remuneration) /Total Operating Expenditure x100	0.581738001	51 542 500 88 600 882	0.58 Below NT norm

2 Contracted Services % of Total Operating Expenditure Contracted Services / Total Operating Expenditure x100

0
0
88 600 882

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
3 776 812

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

(4.02)
189 078 286
949 013 543
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

0.017669544
3 776 812
213 747 000

0.02 Should be at 100%.

2 Operating Expenditure Budget Implementation Indicator Actual Operating Expenditure / Budgeted Operating Expenditure x 100

0.324444536
88 600 882
273 084 833

0.32

3 Operating Revenue Budget Implementation Indicator Actual Operating Revenue / Budget Operating Revenue x 100

0.767629372
189 078 286
246 314 553

0.77