

MONTHLY BUDGET STATEMENT: 31 MARCH 2018

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

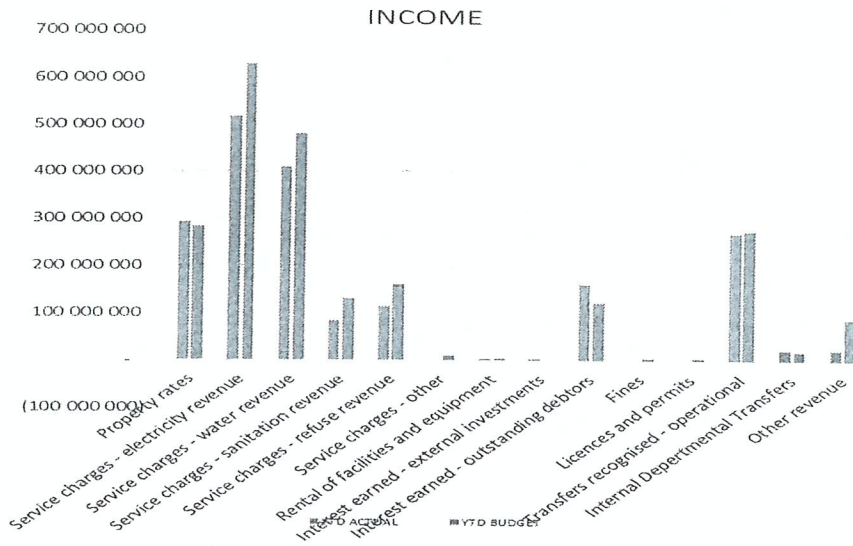
The financial results for the period ended 31 March 2018 are summarized as follows:
Statement of Financial Performance (SFP)

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.

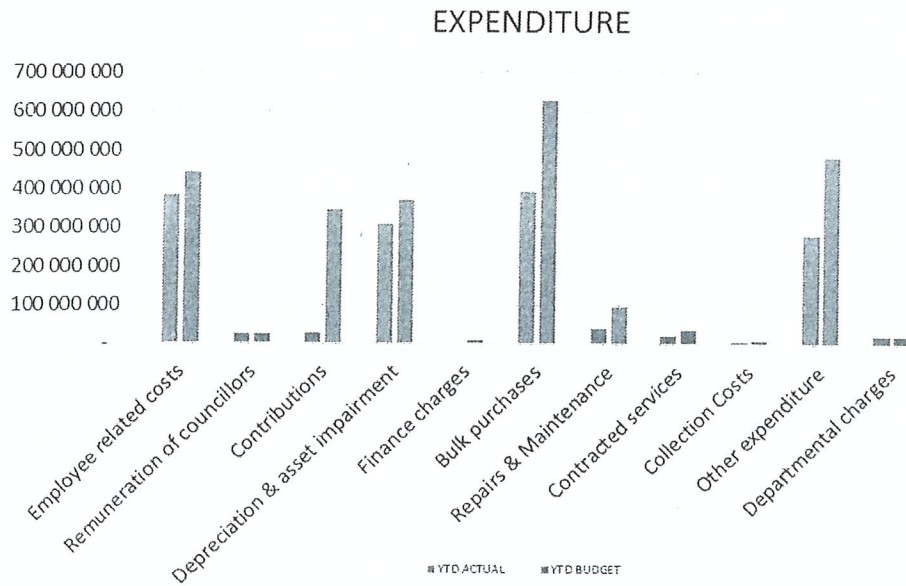
The summary report indicates the following:

| Summary statement of Financial Performance | | | | |
|---|---------------------------|-----------------------------|---------------------------|---|
| Description | YTD Budget 2017/18 | March Actual 2017/18 | YTD Actual 2017/18 | Variance Favorable (Unfavorable) |
| Total Revenue by Source | (2,216,830,980) | (201,998,784) | (1,836,936,481) | (379,894,499) |
| Total Operating Expenditure | 2,2,457,763,500 | 135,991,780 | 1,448,107,726 | 1,009,655,774 |
| (SURPLUS)/ DEFICIT | 240,932,520 | (66,007,003) | (388,828,755) | 629,761,275 |

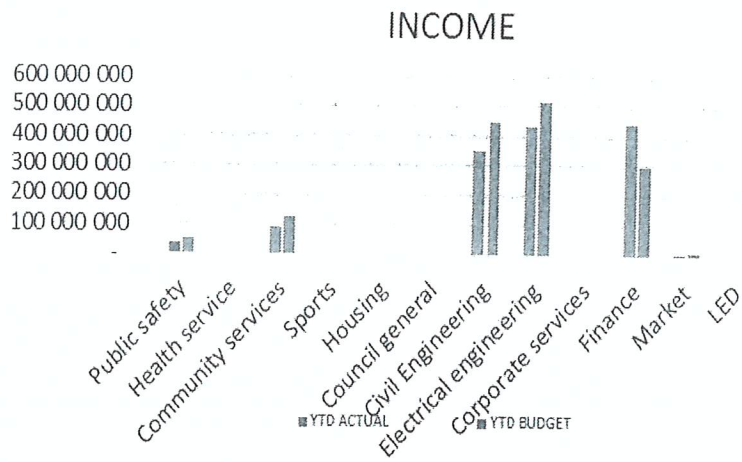
YTD Actual Income vs YTD Budget Income



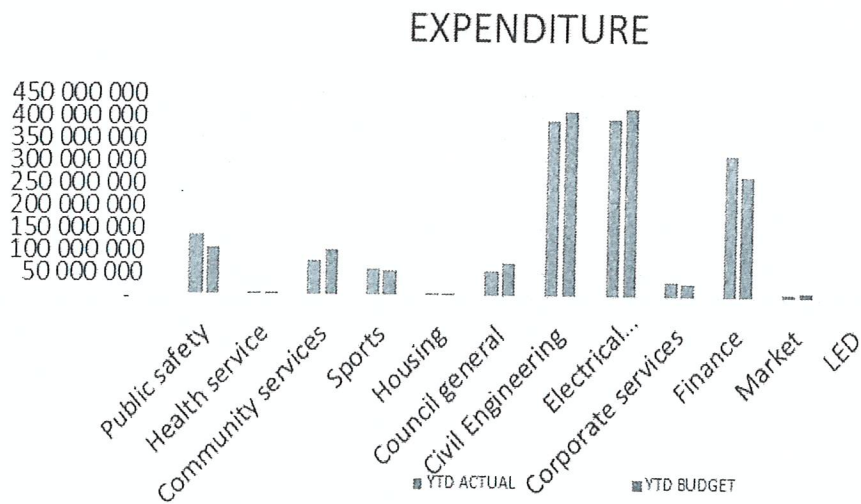
YTD Actual Expenditure vs YTD Budget Expenditure



Operating Income per department



Operating Expenditure per department



GRANTS AND SUBSIDIES

Operational allocation/ Grant received

| DESCRIPTION | BUDGET 2017/18 | MARCH RECEIVED 2017/18 | YTD ACTUAL RECEIVED 2017/18 | YTD% |
|---------------------------------|--------------------|------------------------------|--------------------------------------|---------------|
| Equitable shares grants | 354,377,000 | 88,594,000 | 353,136,000 | 99.65% |
| 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 | 0 | 2,246,000 | 100% |
| TOTAL | 364,259,613 | 88,594,000 | 353,727,000 | 98.48% |

Operational Grant spending

| DESCRIPTION | BUDGET 2017/18 | MARCH SPENDING 2017/18 | YTD ACTUAL 2017/18 | YTD% |
|---------------------------------|--------------------|------------------------------|-----------------------|---------------|
| Equitable shares grants | 354,377,000 | 29,324,583 | 265,575,918 | 74.94% |
| Finance Management grant | 2,145,000 | 84,503 | 708,636 | 33.04% |
| Improvement of Library services | 1,200,000 | 27,779 | 84,858 | 7.07% |
| PMU | 4,291,613 | 232,890 | 2,198,863 | 51.24% |
| EPWP | 2,246,000 | 337,194 | 1,486,853 | 66.20% |
| TOTAL | 364,259,613 | 30,006,949 | 270,055,128 | 74.14% |

CAPITAL GRANT RECEIVED

| DESCRIPTION | BUDGET | MARCH RECEIVED 2017/18 | YTD ACTUAL RECEIVED | YTD% |
|--------------|--------------------|---------------------------|---------------------------|----------------|
| MIG | 84,588,950 | 70,384,000 | 130,041,000 | 153.73% |
| NDPG | 75,000,000 | 0 | 48,755,000 | 65.01% |
| INEP | 14,000,000 | 5,500,000 | 19,500,000 | 139.29% |
| PMU | 160,435 | 0 | 0 | 0% |
| TOTAL | 173,749,385 | 75,884,000 | 198,296,000 | 114.13% |

| DESCRIPTION | BUDGET | MARCH SPENDING 2017/18 | YTD ACTUAL | YTD% |
|-------------|------------|---------------------------|---------------|--------|
| NDPG | 75,000,000 | 3,004,369 | 35,249,677 | 47% |
| INEP | 14,000,000 | 0 | 5,936,925 | 42.41% |
| PMU | 160,435 | 0 | 0 | 0% |

Cash Flow Statement (Annexure B)

- Total cash receipts by source reflect an amount of R228.9 million, for the month of March 2018.
- Total cash payments indicate an amount of R110.5million for the month of March 2018.

Capital expenditure report (Annexure C)

The summary report indicates the following:

| Summary statement of Capital Expenditure | | | | |
|---|--------------------|----------------------|-------------------|-----------------------------|
| Description | YTD Budget | March Actual 2017/18 | YTD Actual | Variance Favourable (Unfav) |
| Total Capital Expenditure | 160,310,250 | 8,206,794 | 90,675,030 | (69,635,220) |
| Capital funding | | | | |
| National government | 130,310,250 | 8,178,494 | 90,594,246 | (39,716,004) |
| Provincial Government | - | - | - | - |
| | - | - | - | - |
| District Municipality | - | - | - | - |
| Borrowing | 22,500,000 | - | - | (22,500,000) |
| Internal Generated fund | 7,500,000 | 28,300 | 80,783 | (7,447,517) |
| Financial Total | 160,310,250 | 8,206,794 | 90,675,030 | (69,635,220) |

- Capital spending of 42.42% is lower than the 75% pro-rata.

MIG Spending

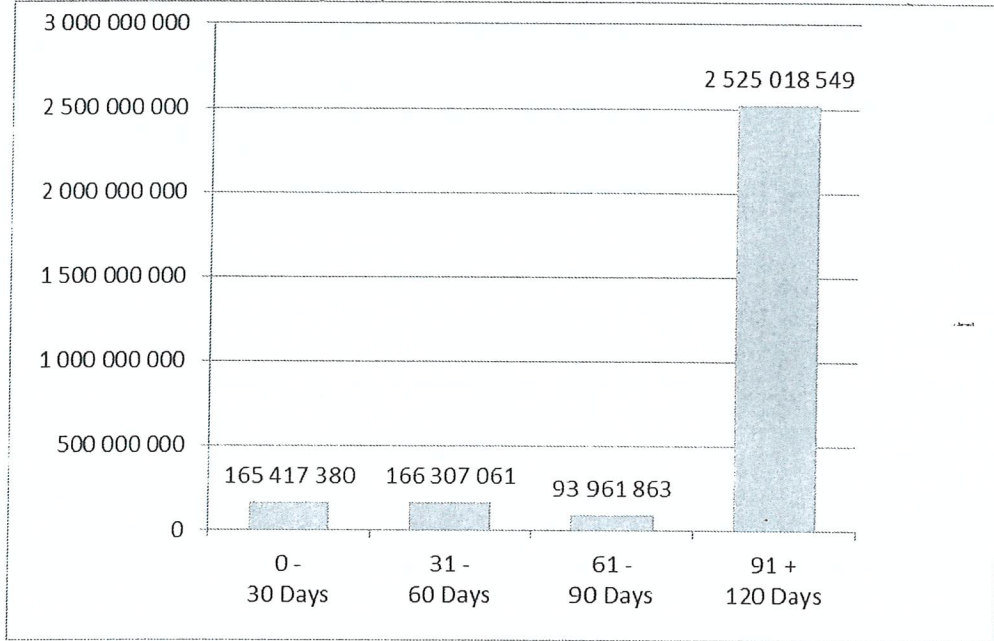
| BUDGET | MARCH RECEIVED | SPENDING YTD | YTD RECEIVED | %SPENDING |
|------------|----------------|--------------|--------------|-----------|
| 84,588,950 | 70,384,000 | 47,600,188 | 130,041,000 | 56% |

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 March 2018 amounts to R 2.785 billion.

A detailed Age Analysis is on annexure D.

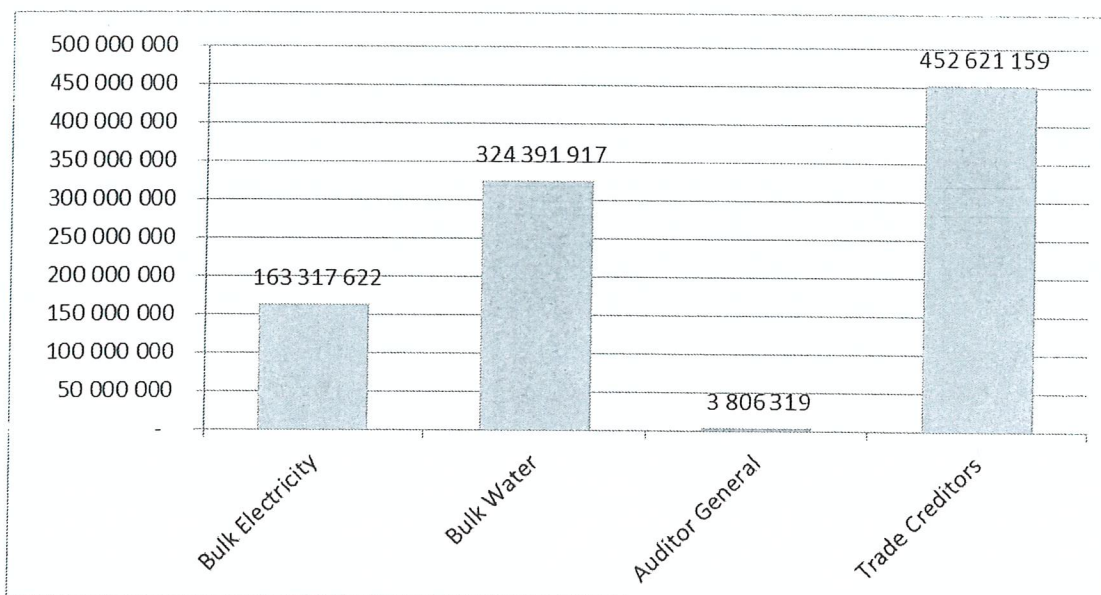
Debtors by Customer group – 31 March 2018



- Debtors' book has increased by R108 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 increased by R 6.3 million compared to the previous months.

Investment Portfolio (Annexure F)

The table indicates the status of the investment portfolio which amounts to R 262,831,137 as at 31 March 2018.

| | Investments | | | | |
|-----------------|------------------|--------------------|----------------|-------------------|--------------------|
| | Fixed | Call | Long Term | Collateral | Total |
| Institution | R | R | R | R | R |
| ABSA | | 226,797,744 | | | 226,797,744 |
| FNB | | | 108,774 | | 108,774 |
| Investec | | 5,865,590 | | | 5,865,590 |
| Nedcor | | | | 21,697,304 | 21,697,304 |
| Sanlam (Policy) | 8,361,725 | | | | 8,361,725 |
| | 8,361,725 | 232,663,334 | 108,774 | 21,697,304 | 262,831,137 |

ANNEXURE G (BORROWINGS)

The total amount outstanding on external loans at the end of March 2018 amount to R57,610,369.96.

ANNEXURE I

RATIOS

FINANCIAL IMPLICATIONS

The report covers the period from 1 July 2017 to 31 March 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 1,837 billion is less than projected of R 2,217 billion YTD budget (Pro-rata) and vary by R379,9 million.

Year to date actual expenditure of R 1,448 billion is less than projected expenditure of R2,458 billion YTD budget (Pro-rata) and vary by R 1,009 billion.

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) - March 2018

Current Year 2017/18

| Description | Original Budget | March Actual 201 | YTD ACTUAL | YTD BUDGET | Variance | YTD % | Variance% |
|---|------------------------|----------------------|------------------------|------------------------|----------------------|----------------|-----------------|
| Revenue By Source | | | | | | | |
| Property rates | (378 837 000) | (25 729 317) | (292 599 425) | -284 127 750 | (8 471 675) | 77.24 | 2.98 |
| Service charges - electricity revenue | (838 331 000) | (55 304 430) | (516 695 890) | -628 748 250 | 112 052 360 | 61.63 | (17.82) |
| Service charges - water revenue | (639 296 000) | (46 084 043) | (408 343 348) | -479 472 000 | 71 128 652 | 63.87 | (14.83) |
| Service charges - sanitation revenue | (173 694 000) | (9 421 498) | (84 753 126) | -130 270 500 | 45 517 374 | 48.79 | (34.94) |
| Service charges - refuse revenue | (215 011 000) | (12 714 275) | (114 315 291) | -161 258 250 | 46 942 959 | 53.17 | (29.11) |
| Service charges - other | (15 000 000) | 697 | 35 316 | -11 250 000 | 11 285 316 | (0.24) | - |
| Rental of facilities and equipment | (6 586 640) | (403 453) | (3 717 674) | -4 939 980 | 1 222 306 | 56.44 | (24.74) |
| Interest earned - external investments | (2 500 000) | - | (3 735 158) | -1 875 000 | (1 860 158) | 149.41 | 99.21 |
| Interest earned - outstanding debtors | (161 884 000) | (20 686 290) | (160 984 565) | -121 413 000 | (39 571 565) | 99.44 | 32.59 |
| Fines | (7 452 000) | (41 455) | (1 049 762) | -5 589 000 | 4 539 238 | 14.09 | (81.22) |
| Licences and permits | (7 529 000) | (91 070) | (670 280) | -5 646 750 | 4 976 470 | 8.90 | (88.13) |
| Transfers recognised - operational | (364 262 000) | (30 712 184) | (267 950 776) | -273 196 500 | 5 245 724 | 73.56 | (1.92) |
| Internal Departmental Transfers | (26 505 731) | (2 672 702) | (24 338 533) | -19 879 298 | (4 459 235) | 91.82 | 22.43 |
| Other revenue | (118 886 269) | (1 758 747) | (23 326 749) | -89 164 702 | 65 837 952 | 19.62 | (73.84) |
| Gains on disposal of PPE | - | - | - | 0 | - | - | - |
| Total Revenue | (2 955 774 640) | (205 618 769) | (1 902 445 261) | (2 216 830 980) | 314 385 719 | 64.36 | (14.18) |
| Expenditure By Type | | | | | | | |
| Employee related costs | 586 853 000 | 46 212 080 | 383 524 045 | 440 139 750 | 56 615 705 | 65.35 | 12.86 |
| Remuneration of councillors | 31 657 000 | 2 762 606 | 24 872 776 | 23 742 750 | (1 130 026) | 78.57 | (4.76) |
| Contributions | 462 621 000 | - | 28 192 685 | 346 965 750 | 318 773 065 | 6.09 | 91.87 |
| Depreciation & asset impairment | 492 000 000 | 34 212 995 | 307 916 954 | 369 000 000 | 61 083 046 | 62.58 | 16.55 |
| Finance charges | 11 000 000 | (222 505) | 4 341 132 | 8 250 000 | 3 908 868 | 39.46 | 47.38 |
| Bulk purchases | 837 563 000 | 12 307 104 | 391 915 577 | 628 172 250 | 236 256 673 | 46.79 | 37.61 |
| Repairs & Maintenance | 126 791 000 | 5 759 764 | 41 224 972 | 95 093 250 | 53 868 278 | 32.51 | 56.65 |
| Contracted services | 48 250 824 | 834 578 | 22 474 604 | 36 188 118 | 13 713 514 | 46.58 | 37.90 |
| Collection Costs | 13 500 000 | 1 031 321 | 6 239 860 | 10 125 000 | 3 885 140 | 46.22 | 38.37 |
| Other expenditure | 640 276 448 | 36 713 822 | 281 844 427 | 480 207 336 | 198 362 909 | 44.02 | 41.31 |
| Departmental charges | 26 505 728 | - | 21 069 474 | 19 879 296 | (1 190 178) | 79.49 | (5.99) |
| Internal recoveries(amount charge out) | - | - | - | - | - | - | - |
| Total Expenditure | 3 277 018 000 | 139 611 765 | 1 513 616 506 | 2 457 763 500 | 944 146 994 | 46.19 | 38.41 |
| (Surplus)/Deficit | 321 243 360 | (66 007 003) | (388 828 755) | 240 932 520 | (629 761 275) | | |
| TOTAL REVENUE | (2 955 774 640) | (205 618 769) | (1 902 445 261) | (2 216 830 980) | (314 385 719) | 64.36 | 14.18 |
| LESS REVENUE FOREGONE | - | 3 619 985 | 65 508 780 | - | (65 508 780) | | |
| Income forgone on assessment rate | 43 528 512 | 3 619 985 | 65 508 780 | 32 646 384 | (32 862 396) | 150.50 | (100.66) |
| Income forgone on other | - | - | - | - | - | | |
| TOTAL INCOME | (2 955 774 640) | (201 998 784) | (1 836 936 481) | (2 216 830 980) | (379 894 499) | 62.15 | 17.14 |
| Total expenditure after deduct reven | 3 277 018 000 | 135 991 780 | 1 448 107 726 | 2 457 763 500 | 1 009 655 774 | 44.19 | 41.08 |
| (Surplus)/ Deficit for the year | 321 243 360 | (66 007 003) | (388 828 755) | 240 932 520 | 629 761 275 | -121.04 | 7.85 |

OPERATING INCOME PER DEPARTMENT AS AT MARCH 2018

| DESCRIPTION | BUDGET | MARCH | YTD ACTUAL | YTD BUDGET | VARIANCE | VARIANCE | YTD % |
|------------------------|----------------------|--------------------|----------------------|----------------------|----------------------|---------------|--------------|
| Public safety | 95 330 893 | 690 433 | 9 971 766 | 71 498 170 | (61 526 403) | -86.05 | 10.46 |
| Health service | - | - | 5 500 | - | 5 500 | - | - |
| Community services | 220 391 330 | 10 139 004 | 116 467 939 | 165 293 498 | (48 825 559) | -29.54 | 52.85 |
| Sports | 2 232 079 | 60 523 | 569 842 | 1 674 059 | (1 104 217) | -65.96 | 25.53 |
| Housing | 2 166 080 | 88 730 | 787 610 | 1 624 560 | (836 950) | -51.52 | 36.36 |
| Council general | 3 203 182 | 202 193 | 585 803 | 2 402 387 | (1 816 584) | -75.62 | 18.29 |
| Civil Engineering | 826 495 380 | 59 716 962 | 504 867 129 | 619 871 535 | (115 004 406) | -18.55 | 61.09 |
| Electrical engineering | 861 685 278 | 57 581 770 | 537 186 815 | 646 263 959 | (109 077 143) | -16.88 | 62.34 |
| Corporate services | 4 492 179 | 113 442 | 243 423 | 3 369 134 | (3 125 711) | -92.77 | 5.42 |
| Finance | 918 209 218 | 73 405 577 | 660 033 605 | 688 656 914 | (28 623 308) | -4.16 | 71.88 |
| Market | 21 569 021 | - | 6 216 467 | 16 176 766 | (9 960 299) | -61.57 | 28.82 |
| LED | - | 150 | 583 | - | 583 | - | - |
| TOTAL | 2 955 774 640 | 201 998 784 | 1 836 936 481 | 2 216 830 980 | (379 894 499) | -17.14 | 62.15 |

OPERATING EXPENDITURE PER DEPARTMENT

| DESCRIPTION | BUDGET | MARCH | YTD ACTUAL | YTD BUDGET | VARIANCE | VARIANCE | YTD % |
|------------------------|----------------------|--------------------|----------------------|----------------------|------------------------|---------------|--------------|
| Public safety | 211 969 544 | 13 211 415 | 102 008 261 | 158 977 158 | (56 968 897) | -35.83 | 48.12 |
| Health service | 9 649 658 | 560 399 | 4 483 667 | 7 237 244 | (2 753 577) | -38.05 | 46.46 |
| Community services | 216 166 471 | 14 725 605 | 117 200 094 | 162 124 853 | (44 924 759) | -27.71 | 54.22 |
| Sports | 114 357 160 | 9 277 476 | 77 478 826 | 85 767 870 | (8 289 044) | -9.66 | 67.75 |
| Housing | 11 321 100 | 860 373 | 7 885 682 | 8 490 825 | (605 143) | -7.13 | 69.65 |
| Council general | 169 956 453 | 12 602 066 | 93 502 388 | 127 467 340 | (33 964 952) | -26.65 | 55.02 |
| Civil Engineering | 948 642 258 | 54 255 282 | 449 133 275 | 711 481 694 | (262 348 418) | -36.87 | 47.34 |
| Electrical engineering | 859 939 220 | 14 511 346 | 446 207 125 | 644 954 415 | (198 747 290) | -30.82 | 51.89 |
| Corporate services | 62 609 135 | 4 628 349 | 34 911 662 | 46 956 851 | (12 045 189) | -25.65 | 55.76 |
| Finance | 632 554 006 | 12 761 415 | 98 093 560 | 474 415 505 | (376 321 945) | -79.32 | 15.51 |
| Market | 25 050 555 | (1 885 044) | 12 994 761 | 18 787 916 | (5 793 155) | -30.83 | 51.87 |
| LED | 14 802 440 | 483 098 | 4 208 423 | 11 101 830 | (6 893 407) | -62.09 | 28.43 |
| TOTAL | 3 277 018 000 | 135 991 780 | 1 448 107 726 | 2 457 763 500 | (1 009 655 774) | -41.08 | 44.19 |
| Surplus/Deficit | (321 243 360) | 66 007 004 | 388 828 755 | (240 932 520) | 629 761 275 | | |

GRANTS AND SUBSIDIES - MARCH 2018

Operational allocation/grant received

| | BUDGET | MARCH | YTD | YTD% |
|---------------------------------|--------------------|-------------------|--------------------|---------------|
| Equitable shares grants | 354 377 000 | 88 594 000 | 353 136 000 | 99.65 |
| 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 | - | 2 246 000 | 100.00 |
| | 364 259 613 | 88 594 000 | 358 727 000 | 98.48 |
| CAPITAL GRANT RECEIVED | | | | |
| MIG | 84 588 950 | 70 384 000 | 130 041 000 | 153.73 |
| NDPG | 75 000 000 | - | 48 755 000 | 65.01 |
| DME/INER | 14 000 000 | 5 500 000 | 19 500 000 | 139.29 |
| PMU | 160 435 | - | - | - |
| | 173 749 385 | 75 884 000 | 198 296 000 | 114.13 |

GRANTS AND SUBSIDIES - MARCH 2018

Operational allocation/grant spending

| | BUDGET | MARCH | YTD | YTD% |
|----------------------------------|--------------------|-------------------|--------------------|--------------|
| Equitable shares grants | 354 377 000 | 29 324 583 | 265 575 918 | 74.94 |
| Finance Management Grant | 2 145 000 | 84 503 | 708 636 | 33.04 |
| Improvement of library services | 1 200 000 | 27 779 | 84 858 | 7.07 |
| PMU | 4 291 613 | 232 890 | 2 198 863 | 51.24 |
| EPWP (arbour week) | 2 246 000 | 337 194 | 1 486 853 | 66.20 |
| | 364 259 613 | 30 006 949 | 270 055 128 | 74.14 |
| CAPITAL GRANT EXPENDITURE | | | | |
| MIG | 84 588 950 | 5 174 125 | 47 600 188 | 56.27 |
| NDPG | 75 000 000 | 3 004 369 | 35 249 677 | 47.00 |
| DME/INER | 14 000 000 | - | 5 936 925 | 42.41 |
| PMU | 160 435 | - | - | - |
| | 173 749 385 | 8 178 494 | 88 786 790 | 51.10 |

ANNEXURE B

Cash Flow Statement for the month of March 2018

| Cash Receipts by Source | February 2018 | March 2018 |
|---|----------------------|--------------------|
| Property rates | 6 954 430 | 8 790 170 |
| Service charges - electricity revenue | 14 698 352 | 24 334 220 |
| Service charges - water revenue | 8 340 575 | 9 490 354 |
| Service charges - sanitation revenue | 1 849 398 | 2 059 934 |
| Service charges - refuse revenue | 1 794 295 | 1 755 362 |
| Service charges - other | 15 566 200 | 10 658 306 |
| Rental of facilities and equipment | 86 400 | 45 994 |
| Interest earned - external investments | - | - |
| Interest earned - outstanding debtors | - | - |
| Fines | 336 507 | 42 734 |
| Licences and permits | 168 974 | 91 070 |
| Transfer receipts - operational grants | 674 000 | 88 594 000 |
| Other revenue | 47 005 385 | 6 911 609 |
| Cash Receipts by Source | 97 474 516 | 152 773 753 |
| Transfer receipts - capital grants | 10 755 000 | 75 884 000 |
| Proceeds on disposal of PPE | - | - |
| Total Cash Receipts by Source | 108 229 516 | 228 657 753 |
| Proceeds on disposal of PPE | - | - |
| Short term loan | - | - |
| Borrowing long term/ Refinancing | - | 168 908 |
| Increase (decrease) in consumer deposits | - | 29 921 |
| Decrease (increase) in non - current debtors | - | - |
| Decrease (increase) in non - current | - | - |
| Decrease (increase) in non- current investment | - | 2 190 |
| Total Cash Receipts by Source | 108 229 516 | 228 858 772 |
| Cash Payments by Type | | |
| Employee related costs | 45 338 094 | 46 212 080 |
| Remuneration of councillors | 2 766 928 | 2 762 606 |
| Collection costs | 90 198 | 713 525 |
| Interest paid | 199 399 | 1 256 054 |
| Bulk purchases - Electricity | 902 791 | - |
| Bulk purchases - Water | 18 459 889 | - |
| Repairs and maintenance | 1 533 359 | 1 742 692 |
| Contracted services | 3 033 745 | 36 668 |
| General expenses | 16 877 116 | 45 375 427 |
| Cash Payments by Type | 89 201 519 | 98 099 052 |
| Other Cash Flows/Payments by Type | | |
| Capital assets | 11 663 928 | 8 206 794 |
| Repayment of borrowing | 391 412 | 4 203 392 |
| Other Cash Flows/Payments | 12 055 340 | 12 410 186 |
| Investment | - | - |
| Total Cash Payments by Type | 101 256 859 | 110 509 238 |
| Net increase/(decrease) in cash held | 6 972 657 | 118 349 534 |
| Cash/ cash equivalent at the month begin | 115 188 566 | 122 161 223 |
| Cash/ cash equivalent at the month end | 122 161 223 | 240 510 757 |

NW403 City Of Matlosana - Budgeted Capital Expenditure - March 2018

| | Original Budget | March 2018 | YTD Actual | YTD Budget | Variance | YTD % |
|--|--------------------|------------------|-------------------|--------------------|---------------------|--------------|
| Capital Expenditure | | | | | | |
| <i>Council General</i> | 35 000 000 | 28 300 | 80 783 | 26 250 000 | (26 169 217) | 0.23 |
| Council General Admin | 35 000 000 | 28 300 | 80 783 | 26 250 000 | (26 169 217) | 0.23 |
| <i>Municipal & Environmental Services</i> | 10 952 000 | - | - | 8 214 000 | (8 214 000) | - |
| Community and social services | - | - | - | - | - | - |
| Sport and recreation | 10 952 000 | - | - | 8 214 000 | (8 214 000) | - |
| Refuse removal | - | - | - | - | - | - |
| Public Safety | - | - | - | - | - | - |
| Health | - | - | - | - | - | - |
| Cemetary | - | - | - | - | - | - |
| <i>Finance</i> | 5 000 000 | - | - | 3 750 000 | (3 750 000) | - |
| ICT Hard/software | 5 000 000 | - | - | 3 750 000 | (3 750 000) | - |
| <i>Macro city planning & Development</i> | - | - | - | - | - | 0 |
| Market | - | - | - | - | - | 0 |
| <i>Civil Services & Human Settlement</i> | 140 891 000 | 8 178 494 | 82 709 706 | 105 668 250 | (22 958 544) | 58.70 |
| Water | 42 187 000 | 4 506 710 | 42 467 718 | 31 640 250 | 10 827 468 | 100.67 |
| Waste water management(Sewer) | 7 484 000 | 667 415 | 2 027 201 | 5 613 000 | (3 585 799) | 27.09 |
| Roads | 91 220 000 | 3 004 369 | 38 214 787 | 68 415 000 | (30 200 213) | 41.89 |
| Housing | - | - | - | - | - | - |
| PMU Unit | - | - | - | - | - | - |
| Dumping side | - | - | - | - | - | - |
| <i>Structural & Mechanical Engineering</i> | 21 904 000 | - | 7 884 541 | 16 428 000 | (8 543 459) | 36.00 |
| Electrical | 21 904 000 | - | 7 884 541 | 16 428 000 | (8 543 459) | 36.00 |
| Total Capital Expenditure | 213 747 000 | 8 206 794 | 90 675 030 | 160 310 250 | (69 635 220) | 42.42 |

CAPITAL FUNDING

| | | | | | | |
|--------------------------|--------------------|------------------|-------------------|--------------------|---------------------|--------------|
| National government | 173 747 000 | 8 178 494 | 90 594 246 | 130 310 250 | (39 716 004) | 52.14 |
| Provincial government | - | - | - | - | - | - |
| District municipality | - | - | - | - | - | - |
| Borrowing | 30 000 000 | - | - | 22 500 000 | (22 500 000) | - |
| Internal Generated funds | 10 000 000 | 28 300 | 80 783 | 7 500 000 | (7 419 217) | 0.81 |
| Financing Total | 213 747 000 | 8 206 794 | 90 675 029 | 160 310 250 | (69 635 221) | 42.42 |

ANNEXURE D
DEBTOR'S AGE ANALYSIS - March 2018

| Detail | 0 - 30 Days | 31 - 60 Days | 61 - 90 Days | 91 + 120 Days | Total - |
|---|--------------------|--------------------|-------------------|----------------------|----------------------|
| Debtors Age Analysis By Income Source | | | | | |
| Water Tariffs | 43 242 798 | 46 547 894 | 28 278 083 | 842 920 570 | 960 989 345 |
| Electricity Tariffs | 47 535 611 | 34 702 446 | 17 544 631 | 210 209 557 | 309 992 245 |
| Rates (Property Rates) | 20 761 541 | 14 935 882 | 8 764 058 | 156 321 551 | 200 783 032 |
| Sewerage/ Sanitation | 7 610 160 | 6 434 420 | 4 659 833 | 184 018 879 | 202 723 292 |
| Refuse Removal Tariffs | 9 708 649 | 8 563 624 | 6 961 094 | 255 504 948 | 280 738 315 |
| Other | 36 558 621 | 55 122 795 | 27 754 164 | 876 043 044 | 995 478 624 |
| Total By Income Source | 165 417 380 | 166 307 061 | 93 961 863 | 2 525 018 549 | 2 950 704 853 |
| Debtors Age Analysis By Customer Group | | | | | |
| Government | 5 638 022 | 5 008 616 | 4 498 432 | 40 384 611 | 55 529 681 |
| Business | 45 115 986 | 32 733 101 | 18 383 472 | 272 097 418 | 368 329 977 |
| Households | 112 097 960 | 127 169 623 | 70 512 533 | 2 163 664 119 | 2 473 444 235 |
| Other | 2 565 413 | 1 395 720 | 567 426 | 48 872 402 | 53 400 961 |
| Total By Customer Group | 165 417 380 | 166 307 061 | 93 961 863 | 2 525 018 549 | 2 950 704 853 |

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 E
 OUTSTANDING CREDITORS STATEMENT - March 2018

| Detail | 0 - 30 Days | 31 - 60 Days | 61 - 90 Days | 91 - 120 Days | 121 +Days | Total |
|------------------|--------------------|-------------------|-------------------|------------------|--------------------|--------------------|
| Bulk Electricity | 39 044 627 | 44 590 011 | - | - | 79 682 984 | 163 317 622 |
| Bulk Water | 42 173 144 | 2 068 357 | 38 015 500 | - | 242 134 916 | 324 391 917 |
| Auditor General | 243 677 | 79 010 | 1 279 911 | - | 2 203 721 | 3 806 319 |
| Trade Creditors | 349 274 249 | 541 308 | 4 830 703 | - | 97 974 899 | 452 621 159 |
| Total | 430 735 697 | 47 278 686 | 44 126 114 | - | 421 996 520 | 944 137 017 |

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 | - | 72 682 984 | 164 070 062 |
| Bulk Water | 33 370 660 | 2 068 357 | 38 015 500 | 8 111 636 | 234 023 281 | 315 589 433 |
| Auditor General | 209 645 | 104 002 | 1 295 670 | 1 257 987 | 1 136 036 | 4 003 339 |
| Trade Creditors | 349 274 249 | - | 541 308 | 4 830 702 | 99 525 520 | 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: 31 March 2018
City of Matlosana

| INSTITUTION | INTEREST RATE | PERIOD | FEBRUARY 2018 | MARCH 2018 | MATURITY DATE | EXPLANATION |
|------------------------------|---------------|--------------------|-----------------------|-----------------------|---------------|--------------------|
| Call Investment | | | | | | |
| ABSA: 3854 | 3.73% | | 12 276.00 | 12 196.96 | | |
| ABSA: 5047 | 4.70% | | 11 514 702.70 | 17 050 352.89 | | INEP |
| ABSA: 6177 | 6.75% | | 23 656 161.60 | 89 705 847.30 | | MIG |
| ABSA: 2264 | 4.70% | | 4 627 803.61 | 4 643 601.54 | | |
| ABSA: 4682 | 6.65% | | 30 424 027.17 | 30 533 483.43 | | NDPG |
| ABSA: 4063 | 1.55% | | 173 857.41 | 174 030.79 | | |
| ABSA: 1223 | 6.75% | | 42 458 329.67 | 84 678 231.48 | | |
| INVESTEC | 6.80% | | 5 833 259.03 | 5 865 589.67 | | |
| TOTAL Call Investment | | | 118 700 417.19 | 232 663 334.06 | | |
| 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 | | | 148 868 220.22 | 262 831 137.09 | | |

Withdraw R28 000 000 from ABSA call - 02 March 2018
Invest R5 000 000 with ABSA on call - 07 March 2018
Invest R5 000 000 with ABSA on call - 08 March 2018
Invest R5 000 000 with ABSA on call - 09 March 2018
Withdraw R642 162 from ABSA call (MIG) - 13 March 2018
Invest R10 000 000 with ABSA on call - 13 March 2018
Withdraw R600 373 from ABSA call (MIG) - 14 March 2018
Invest R5 000 000 with ABSA on call - 14 March 2018
Invest R5 500 000 with ABSA on call (INEP) - 16 March 2018
Invest R5 000 000 with ABSA on call - 16 March 2018
Invest R40 000 000 with ABSA on call - 20 March 2018
Invest R5 000 000 with ABSA on call - 23 March 2018
Withdraw R4 150 208 from ABSA call (MIG) - 26 March 2018
Invest R70 384 000 with ABSA on call (MIG) - 26 March 2018
Invest R6 000 000 with ABSA on call - 29 March 2018
Withdraw R3 245 913 from ABSA call (MIG) - 29 March 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 2 AS AT 31 MARCH 2018

| 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 01/07/2015 | Debt Repaid or Re-devised | Additional Principal Accrued | Balance at 31/03/2018 | Redemption 20/7/2018 |
|------------------------|------------|------------|------------------------|---------------|------------------------|-----------------------------|-----------------------------------|----------------------------|----------------------------|---------------------------|------------------------------|-----------------------|----------------------|
| ANNUITY LOANS | | | | | | | | | | | | | |
| NW10959 | 1/10/1997 | 30/09/2017 | 20 | 7436371 | Development Bank of SA | Provision of Infrastructure | 15 | 41 785.96 | 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 | 208 683.94 | 1 613 877.18 | 1 036 316.74 | 0.00 | 577 560.44 | 1 036 316.74 |
| NW13637 | 1/10/2000 | 30/09/2020 | 20 | 3951600 | Development Bank of SA | Provision of Infrastructure | 15.6 | 259 422.66 | 1 790 005.32 | 412 498.93 | 0.00 | 1 347 506.39 | 412 498.92 |
| NW13874/1 | 1/10/2001 | 30/09/2019 | 18 | 10000000 | Development Bank of SA | Combination | 14.75 | 76 385.16 | 1 411 414.14 | 277 777.77 | 0.00 | 833 333.34 | 555 555.54 |
| NW13874/2 | 1/12/2001 | 30/06/2019 | 18 | 14998125 | Development Bank of SA | Combination | 14.75 | 1 122 731.22 | 14 898 125.00 | 0.00 | 0.00 | 14 998 125.00 | 0.00 |
| NW101297/1 | 1/7/2004 | 30/06/2019 | 15 | 28070000 | 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 | 8 546 922.00 | 1 962 751.18 | 0.00 | 6 584 175.82 | 4 040 890.20 |
| NW10367/1 | 1/11/2010 | 1/11/2025 | 15 | 35269878 | Development Bank of SA | Provision of Infrastructure | 14.75 | 1 996 029.89 | 25 781 177.28 | 1 530 893.49 | 0.00 | 24 250 283.79 | 2 071 048.18 |
| 10958 | 31/03/1998 | 31/03/2018 | 20 | 13360746 | Development Bank of SA | Provision of Infrastructure | 15 | 208 321.08 | 1 820 874.49 | 1 820 874.49 | 0.00 | 0.00 | 0.00 |
| 10966 | 30/09/1999 | 30/09/2019 | 20 | 5597000 | Development Bank of SA | Provision of Infrastructure | 15.25 | 225 275.97 | 1 613 133.45 | 575 348.47 | 0.00 | 1 037 784.98 | 1 820 874.49 |
| 10912 | 30/09/1999 | 30/09/2019 | 20 | 7417000 | Development Bank of SA | Provision of Infrastructure | 15.25 | 333 623.76 | 2 388 972.41 | 852 065.70 | 0.00 | 1 536 913.71 | 575 348.47 |
| 10913 | 30/09/1999 | 30/09/2019 | 20 | 5700000 | Development Bank of SA | Provision of Infrastructure | 15.25 | 256 774.29 | 1 838 662.02 | 655 786.67 | 0.00 | 1 182 875.35 | 655 786.67 |
| TOTAL ANNUITIES | | | | | | | | 5 897 186.28 | 68 859 450.39 | 11 248 084.43 | 0.00 | 57 610 363.99 | 15 804 902.60 |

Template for Calculation of Uniform Financial Ratios and Norms

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% | The ratio will increasing as capital expenditure accelerates. |
| | 1 448 107 726 | | |
| | 90 675 030 | | |
| | 0 | | |

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 | 0.002997797 4 341 132 | 0.0030 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. |
| | 1 448 107 726 | | |
| 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 | 0.022740646 57 610 369 2 260 169 000 | 0.023 |
| | -273 196 500 | | |

2. FINANCIAL PERFORMANCE

| | | | |
|--------------------------------|---|-----------------------------|--|
| 1 Net Operating Surplus Margin | (Total Operating Revenue - Total Operating Expenditure)/Total Operating Revenue | 0.35929228 2 260 169 000 | 0.3593 The restated assets register and the accompanying higher depreciation have a significant impact on financial performance of the municipality. |
| | 1 448 107 726 | | |

D. Expenditure Management

| | | | |
|--|---|---|--|
| 1 Creditors Payment Period (Trade Creditors) | Trade Creditors Outstanding / Credit Purchases (Operating and Capital) x 365 | 214.2540162 944 137 017 1 608 417 976 | 214.25 Still way behind acceptable. |
| 2 Remuneration as % of Total Operating Expenditure | Remuneration (Employee Related Costs and Councillors' Remuneration) /Total Operating Expenditure x100 | 0.320337011 463 882 500 1 448 107 726 | 0.32 Below NT norm |
| 2 Contracted Services % of Total Operating Expenditure | Contracted Services / Total Operating Expenditure x100 | 0.015519981 22 474 604 | The proposed lower ratio is a product of a change to create in inhouse capacity for many of the current outsourced services to |

1 448 107 726

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 | 0.089090679 | There should be an increase in the ratio as the current capital spending accelerates. |
| | | | 0 | |
| | | | 80 783 | |
| | | | 90 675 030 | |
| 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 1 836 936 481 88 727 650 0 | |

3. BUDGET IMPLEMENTATION

| | | | | |
|---|---|---|---|------------------------|
| 1 | Capital Expenditure Budget Implementation Indicator | Actual capital Expenditure / Budget Capital Expenditure x 100 | 0.42421662 90 675 030 213 747 000 | 0.42 Should be at 75%. |
| 2 | Operating Expenditure Budget Implementation Indicator | Actual Operating Expenditure / Budgeted Operating Expenditure x 100 | 0.589197344 1 448 107 726 2 457 763 500 | 0.59 |
| 3 | Operating Revenue Budget Implementation Indicator | Actual Operating Revenue / Budget Operating Revenue x 100 | 0.828631726 1 836 936 481 2 216 830 980 | 0.83 |

Certificate of Expenditure and Revenue

MUNICIPALITY: City of Matlosana LM
 MIS NO: 2017/2018
 BANK ACCOUNT NO: 1000100176
 BANK NAME: ABSA BANK, KLERKSDOORP

ALLOCATION 2017/18
 ALLOCATION 17/18 R 130 041 000.00
 SPENT 17/18 R 49 799 051.73
 STILL TO BE SPEND R 80 241 948.27
 % SPENT 38%

| DATE | BUDGETARY ESTIMATE | ADVANCES REQUESTED | AMOUNT RECEIVED | ACTUAL EXPENDITURE | BALANCE |
|--------------|-------------------------|-------------------------|-------------------------|----------------------|----------------------|
| | Total | Total | Total | Total | Total |
| July-17 | R 31 164 000.00 | R 31 164 000.00 | R 31 164 000.00 | R 0.00 | R 31 164 000.00 |
| August-17 | | | | R 15 095 659.97 | R 16 068 340.03 |
| September-17 | | | | R 13 742 427.59 | R 2 325 912.44 |
| October-17 | | | | R 507 320.33 | R 1 818 592.11 |
| November-17 | R 28 493 000.00 | R 28 493 000.00 | R 28 493 000.00 | R 1 636 952.19 | R 181 639.92 |
| December-17 | | | | R 4 793 937.38 | R 23 880 702.54 |
| January-18 | | | | R 271 769.82 | R 23 608 932.72 |
| February-18 | | | | R 8 343 968.89 | R 15 264 963.83 |
| March-18 | R 70 384 000.00 | R 70 384 000.00 | R 70 384 000.00 | R 5 407 015.56 | R 9 857 948.27 |
| April-18 | | | | | |
| May-18 | | | | | |
| June-18 | | | | | |
| TOTAL | R 130 041 000.00 | R 130 041 000.00 | R 130 041 000.00 | 49 799 051.73 | 80 241 948.27 |

I hereby certify that the provisions / specifications of the financial administration of the Municipal Infrastructure Grant Programme have been complied with.
 All funds made available were used exclusively for the Municipal Infrastructure Grant Programme.

4/4/2018
 DATE
 PMU MANAGER
 CITY OF MATLOSANA LOCAL MUNICIPALITY

8/4/2018
 DATE
 CHIEF FINANCIAL OFFICER
 CITY OF MATLOSANA LOCAL MUNICIPALITY

PROVINCIAL MIG MANAGER
 Department of Local Government & Housing