

MONTHLY BUDGET STATEMENT: 30 SEPTEMBER 2017

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

The financial results for the period ended 30 September 2017 are summarized as follows:

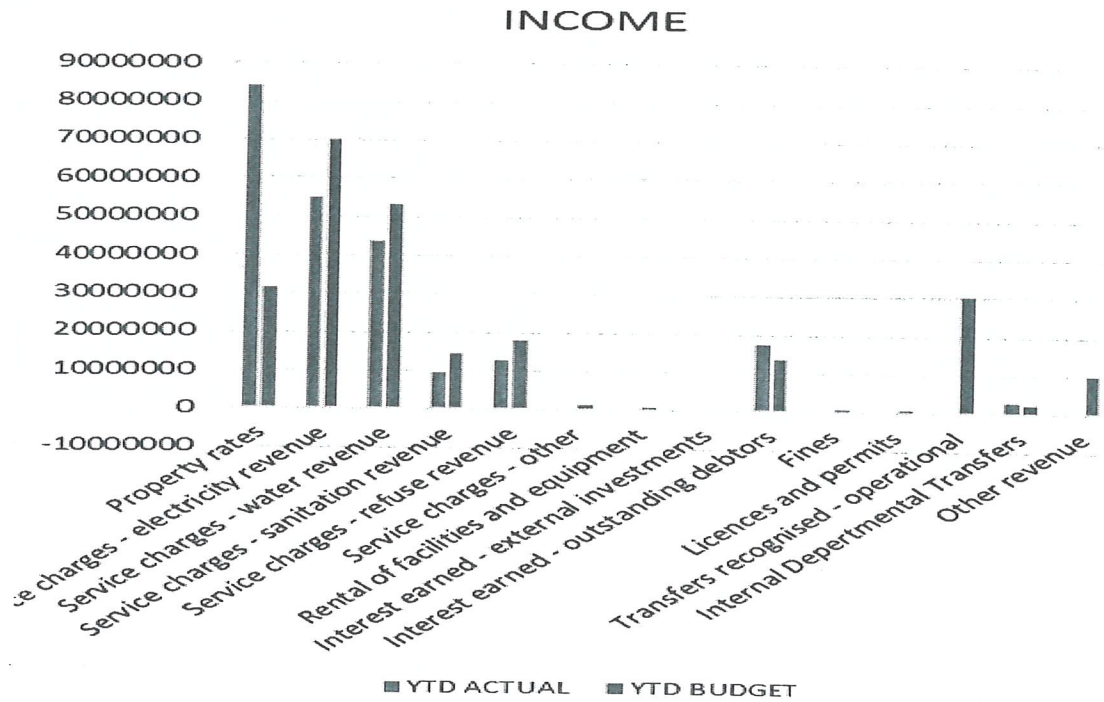
Statement of Financial Performance (SFP)

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.

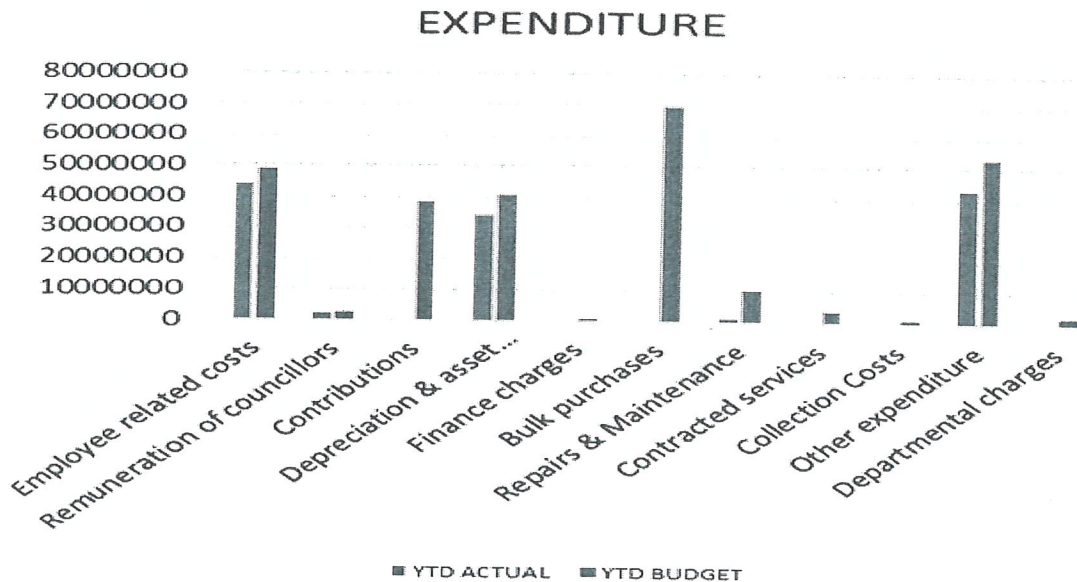
The summary report indicates the following:

Summary statement of Financial Performance				
Description	YTD Budget 2017/18	September Actual 2017/18	YTD Actual 2017/18	Variance Favourable (Unfavourable)
Total Revenue by Source	(738,943,660)	(264,696,554)	(631,910,760)	(107,032,900)
Total Operating Expenditure	819,254,500	160,961,917	386,426,262	432,828,238
(SURPLUS)/ DEFICIT	80,310,840	(103,734,637)	(245,484,498)	325,795,338

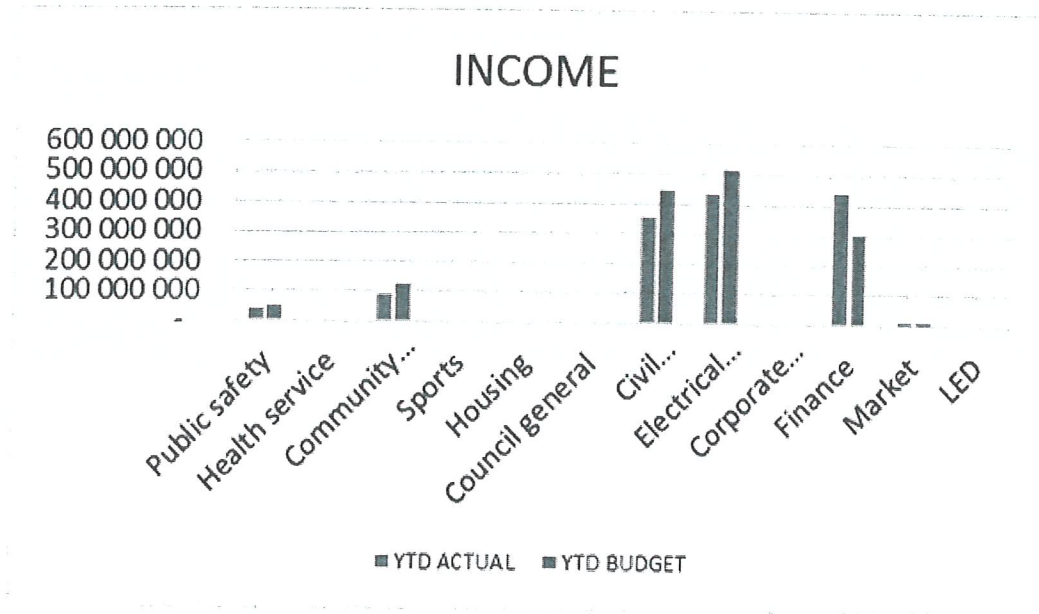
YTD Actual Income vs YTD Budget Income



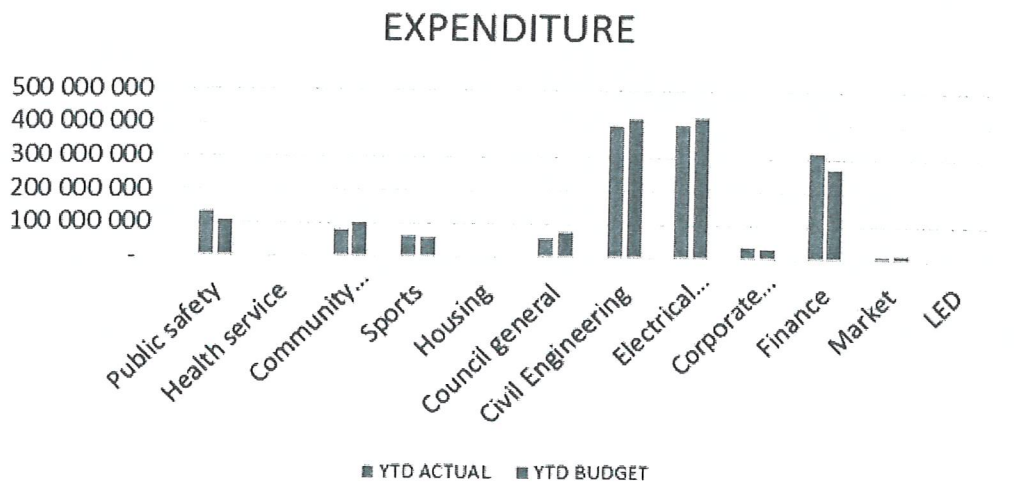
YTD Actual Expenditure vs YTD Budget Expenditure



Operating Income per department



Operating Expenditure per department



GRANTS AND SUBSIDIES

Operational allocation/ Grant received

DESCRIPTION	BUDGET 2017/18	SEPTEMBER RECEIVED 2017/18	YTD ACTUAL RECEIVED 2017/18	YTD%
Equitable shares grants	354,377,000	0	147,658,000	41.67%
Finance Management grant	2,145,000	0	2,145,000	100%
Improvement of Library services	1,200,000	1,200,000	1,200,000	100%
PMU	4,291,613	0	0	0%
EPWP	2,246,000		562,000	25.02%
TOTAL	364,259,613	1,200,000	151,565,000	41.61%

Operational Grant spending

DESCRIPTION	BUDGET 2017/18	September Spending 2017/18	YTD ACTUAL 2017/18	YTD%
Equitable shares grants	354,377,000	88,594,250	88,594,250	25%
Finance Management grant	2,145,000	78,190	168,832	7.87%
Improvement of Library services	1,200,000	951	2,852	0.24%
PMU	4,291,613	721,137	721,137	16.80%
EPWP	2,246,000	0	0	0%
TOTAL	364,259,613	89,394,528	89,487,071	24.57%

CAPITAL GRANT RECEIVED

DESCRIPTION	BUDGET	SEPTEMBER RECEIVED 2017/18	YTD ACTUAL RECEIVED	YTD%
MIG	84,588,950	0	31,164,000	36.84%
NDPG	75,000,000	25,000,000	40,000,000	53.33%
INEP	14,000,000	0	0	0%
PMU	160,435	0	0	0%
TOTAL	173,749,385	25,000,000	71,164,000	40.96%

DESCRIPTION	BUDGET	SEPTEMBER SPENDING 2017/18	YTD ACTUAL	YTD%
NDPG	75,000,000	6,169,546	12,972,425	17.30%
INEP	14,000,000	3,691,055	3,691,055	26.36%
PMU	160,435	0	0	0%

Cash Flow Statement (Annexure B)

- Total cash receipts by source reflect an amount of R163.7 million, for the month of September 2017 includes the following grant:
Improvement of Library R1,200,000

- Total cash payments indicate an amount of R128 million for the month of September 2017.

Capital expenditure report (Annexure C)

The summary report indicates the following:

Summary statement of Capital Expenditure				
Description	YTD Budget	September Actual 2018	YTD Actual	Variance Favourable (Unfav)
Total Capital Expenditure	53,436,750	22,881,892	44,780,430	(8,656,320)
Capital funding				
National government	43,436,750	22,881,892	44,780,430	1,343,680
Provincial Government	-	-	-	-
District Municipality	-	-	-	-
Borrowing	7,500,000	-	-	(7,500,000)
Internal Generated fund	2,500,000	-	-	(2,500,000)
Financial Total	53,436,750	22,881,892	44,780,430	(8,656,320)

- Capital spending of 20.95% is lower than the 25% pro-rata.

MIG Spending

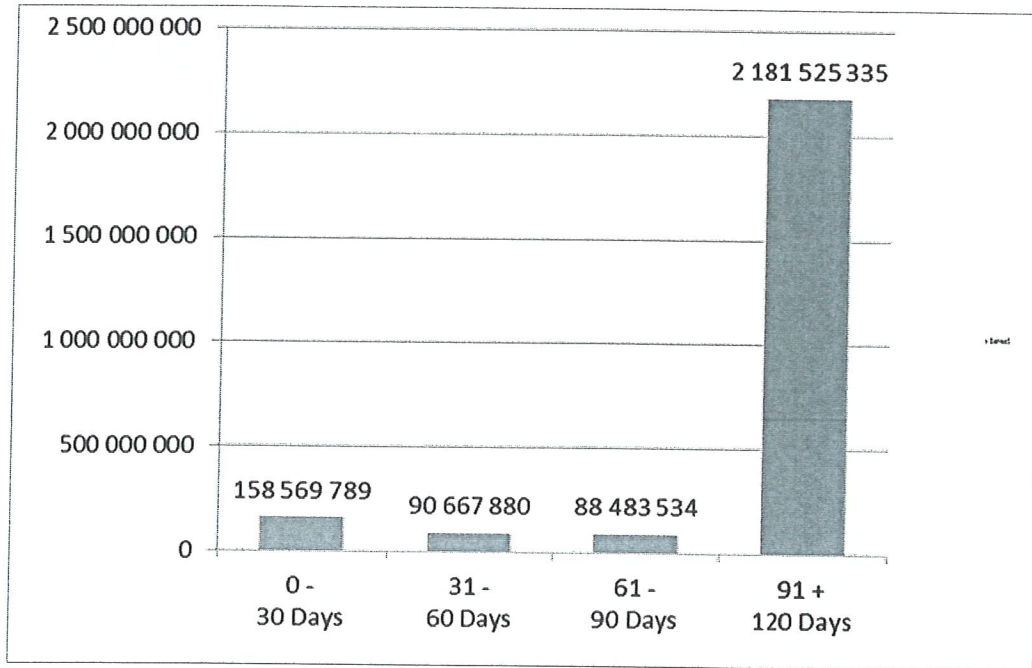
BUDGET	SEPTEMBER RECEIVED	SPENDING YTD	YTD RECEIVED	%SPENDING
84,588,950	31,164,000	28,838,087	31,164,000	34%

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 30 September 2017 amounts to R 2.361 billion.

A detailed Age Analysis is on annexure D.

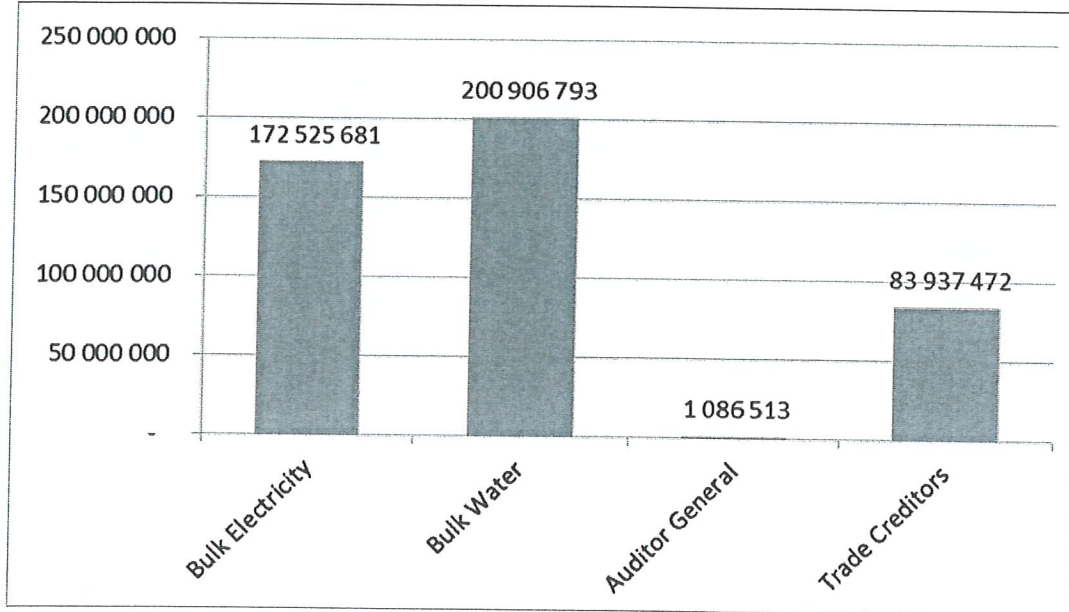
Debtors by Customer group – 30 September 2017



- Debtors' book has increased by R78.8 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 169,827,467 as at 30 September 2017.

Institution	Investments				
	Fixed	Call	Long Term	Collateral	Total
	R	R	R	R	R
ABSA		133,991,293			133,991,293
FNB			99,413		99,413
Investec		5,677,732			5,677,732
Nedcor				21,697,304	21,697,304
Sanlam (Policy)	8,361,725				8,361,725
	8,361,725	139,669,025	99,413	21,697,304	169,827,467

ANNEXURE G (BORROWINGS)

The total amount outstanding on external loans at the end of September 2017 amount to R65,233,057

ANNEXURE I

RATIOS

FINANCIAL IMPLICATIONS

The report covers the period from 1 July 2017 to 30 September 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 632 million is less than projected of R 738 million YTD budget (Pro-rata) and vary by R107 million.

Year to date actual expenditure of R 386 million is less than projected expenditure of R819 million YTD budget (Pro-rata) and vary by R 433 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) - September 2017

Current Year 2017/18

Description	Original Budget	Sept 2017/18	YTD ACTUAL	YTD BUDGET	Variance	YTD %	Variance%
Revenue By Source							
Property rates	(378 837 000)	(26 290 640)	(136 370 170)	-94 709 250	(41 660 920)	36.00	43.99
Service charges - electricity revenue	(838 331 000)	(62 105 668)	(184 306 195)	-209 582 750	25 276 555	21.98	(12.06)
Service charges - water revenue	(639 296 000)	(43 372 696)	(130 092 897)	-159 824 000	29 731 103	20.35	(18.60)
Service charges - sanitation revenue	(173 694 000)	(9 412 263)	(28 159 516)	-43 423 500	15 263 984	16.21	(35.15)
Service charges - refuse revenue	(215 011 000)	(12 579 258)	(38 002 249)	-53 752 750	15 750 501	17.67	(29.30)
Service charges - other	(15 000 000)	(43 904)	(52 087)	-3 750 000	3 697 913	0.35	-
Rental of facilities and equipment	(6 586 640)	(456 487)	(999 749)	-1 646 660	646 911	15.18	(39.29)
Interest earned - external investments	(2 500 000)	-	-	-625 000	625 000	-	(100.00)
Interest earned - outstanding debtors	(161 884 000)	(19 963 894)	(54 552 699)	-40 471 000	(14 081 699)	33.70	34.79
Fines	(7 452 000)	(140 488)	(442 837)	-1 863 000	1 420 163	5.94	(76.23)
Licences and permits	(7 529 000)	-	-	-1 882 250	1 882 250	-	(100.00)
Transfers recognised - operational	(364 262 000)	(88 727 650)	(88 727 650)	-91 065 500	2 337 850	24.36	(2.57)
Internal Departmental Transfers	(26 505 731)	(2 613 704)	(8 068 219)	-6 626 433	(1 441 786)	30.44	21.76
Other revenue	(118 886 269)	(2 609 399)	(5 928 953)	-29 721 567	23 792 614	4.99	(80.05)
Gains on disposal of PPE	-	-	-	0	-	-	-
Total Revenue	(2 955 774 640)	(268 316 051)	(675 703 221)	(738 943 660)	63 240 439	22.86	(8.56)
Expenditure By Type							
Employee related costs	586 853 000	38 389 868	106 110 520	146 713 250	40 602 730	18.08	27.67
Remuneration of councillors	31 657 000	2 521 669	7 552 007	7 914 250	362 243	23.86	4.58
Contributions	462 621 000	9 719 788	28 192 685	115 655 250	87 462 565	6.09	75.62
Depreciation & asset impairment	492 000 000	34 212 995	102 638 984	123 000 000	20 361 016	20.86	16.55
Finance charges	11 000 000	1 518 957	1 909 067	2 750 000	840 933	17.36	30.58
Bulk purchases	837 563 000	43 289 307	78 377 026	209 390 750	131 013 724	9.36	62.57
Repairs & Maintenance	126 791 000	6 118 005	8 447 016	31 697 750	23 250 734	6.66	73.35
Contracted services	48 250 824	2 837 963	3 107 277	12 062 706	8 955 429	6.44	74.24
Collection Costs	13 500 000	649 060	1 039 815	3 375 000	2 335 185	7.70	69.19
Other expenditure	640 276 448	22 710 091	84 787 163	160 069 112	75 281 949	13.24	47.03
Departmental charges	26 505 728	2 613 711	8 057 163	6 626 432	(1 430 731)	30.40	(21.59)
Internal recoveries(amount charge ou	-	-	-	-	-	-	-
Total Expenditure	3 277 018 000	164 581 414	430 218 723	819 254 500	389 035 777	13.13	47.49
(Surplus)/Deficit	321 243 360	(103 734 637)	(245 484 498)	80 310 840	(325 795 338)		
TOTAL REVENUE	(2 955 774 640)	(268 316 051)	(675 703 221)	(738 943 660)	(63 240 439)	22.86	8.56
LESS REVENUE FOREGONE	-	3 619 497	43 792 461	-	(43 792 461)		
Income forgone on assessment rate	43 528 512	3 619 497	43 792 461	10 882 128	(32 910 333)	100.61	(302.43)
Income forgone on other	-	-	-	-	-		
TOTAL INCOME	(2 955 774 640)	(264 696 554)	(631 910 760)	(738 943 660)	(107 032 900)	21.38	14.48
Total expenditure after deduct reve	3 277 018 000	160 961 917	386 426 262	819 254 500	432 828 238	11.79	52.83
TOTAL EXPENDITURE	3 277 018 000	164 581 414	430 218 723	819 254 500	389 035 777	13.13	47.49
Revenue foregone	-	(3 619 497)	(43 792 461)	-	43 792 461		
(Surplus)/ Deficit for the year	321 243 360	(103 734 637)	(245 484 498)	80 310 840	325 795 338	-76.42	2.62

OPERATING INCOME PER DEPARTMENT AS AT SEPTEMBER 2017

DESCRIPTION	BUDGET	SEPTEMBER	YTD ACTUAL	YTD BUDGET	VARIANCE	VARIANCE	YTD %
Public safety	95 330 893	152 296	504 706	23 832 723	(23 328 017)	-97.88	0.53
Health service	-	-	5 500	-	5 500	-	-
Community services	220 391 330	13 119 146	39 531 088	55 097 833	(15 566 745)	-28.25	17.94
Sports	2 232 079	47 469	129 399	558 020	(428 621)	-76.81	5.80
Housing	2 166 080	87 140	261 120	541 520	(280 400)	-51.78	12.05
Council general	3 203 182	83 939	166 146	800 796	(634 650)	-79.25	5.19
Civil Engineering	826 495 380	53 508 045	160 476 179	206 623 845	(46 147 666)	-22.33	19.42
Electrical engineering	861 685 278	64 641 070	191 705 609	215 421 320	(23 715 711)	-11.01	22.25
Corporate services	4 492 179	13 397	51 248	1 123 045	(1 071 797)	-95.44	1.14
Finance	918 209 218	131 505 589	236 316 699	229 552 305	6 764 395	2.95	25.74
Market	21 569 021	1 538 483	2 763 066	5 392 255	(2 629 189)	-48.76	12.81
LED	-	-	-	-	-	-	-
TOTAL	2 955 774 640	264 696 554	631 910 760	738 943 660	(107 032 900)	-14.48	21.38

OPERATING EXPENDITURE PER DEPARTMENT

DESCRIPTION	BUDGET	SEP	YTD ACTUAL	YTD BUDGET	VARIANCE	VARIANCE	YTD %
Public safety	211 969 544	11 261 056	27 285 424	52 992 386	(25 706 962)	-48.51	12.87
Health service	9 649 658	457 759	1 375 846	2 412 415	(1 036 569)	-42.97	14.26
Community services	216 166 471	13 447 792	36 348 555	54 041 618	(17 693 063)	-32.74	16.82
Sports	114 357 160	7 823 124	23 246 771	28 589 290	(5 342 519)	-18.69	20.33
Housing	11 321 100	823 326	2 499 206	2 830 275	(331 069)	-11.70	22.08
Council general	169 958 453	11 248 564	24 946 139	42 489 113	(17 542 974)	-41.29	14.68
Civil Engineering	948 642 258	50 340 860	124 686 747	237 160 565	(112 473 818)	-47.43	13.14
Electrical engineering	859 939 220	49 469 645	107 919 635	214 984 805	(107 065 170)	-49.80	12.55
Corporate services	62 609 135	3 657 268	10 443 030	15 652 284	(5 209 254)	-33.28	16.68
Finance	632 554 006	10 449 025	22 180 927	158 138 502	(135 957 575)	-85.97	3.51
Market	25 050 555	1 592 059	4 315 037	6 262 639	(1 947 602)	-31.10	17.23
LED	14 802 440	391 439	1 178 945	3 700 610	(2 521 665)	-68.14	7.96
TOTAL	3 277 018 000	160 961 917	386 426 262	819 254 500	(432 828 238)	-52.83	11.79
Surplus/Deficit	(321 243 360)	103 734 637	245 484 498	(60 310 840)	325 795 338		

GRANTS AND SUBSIDIES - September 2017

Operational allocation/grant received

	BUDGET	SEPT	YTD RECEIVED	YTD%
Equitable shares grants	354 377 000		147 658 000	41.67
Finance Management Grant	2 145 000		2 145 000	100.00
Improvement of library services	1 200 000	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	1 200 000	151 565 000	41.61
CAPITAL GRANT RECEIVED				
MIG	84 588 950	-	31 164 000	36.84
NDPG	75 000 000	25 000 000	40 000 000	53.33
DME/INER	14 000 000	-	-	-
PMU	160 435	-	-	-
	173 749 385	25 000 000	71 164 000	40.96

GRANTS AND SUBSIDIES - September 2017

Operational allocation/grant spending

	BUDGET	SEPTEMBER	YTD EXPENDITURE	YTD%
Equitable shares grants	354 377 000	88 594 250	88 594 250	25.00
Finance Management Grant	2 145 000	78 190	168 832	7.87
Improvement of library services	1 200 000	951	2 852	0.24
PMU	4 291 613	721 137	721 137	16.80
EPWP (arbour week)	2 246 000		-	-
				-
	364 259 613	89 394 528	89 487 071	24.57
CAPITAL GRANT EXPENDITURE				
MIG	84 588 950	13 742 427	28 838 087	34.09
NDPG	75 000 000	6 169 546	12 972 425	17.30
DME/INER	14 000 000	3 691 055	3 691 055	26.36
PMU	160 435	-	-	-
	173 749 385	23 603 028	45 501 567	26.19

ANNEXURE B

Cash Flow Statement for the month of September 2017

Cash Receipts by Source	July 2017	August 2017	September 2017
Property rates	16 861 109	24 760 634	24 205 332
Service charges - electricity revenue	40 341 477	63 118 107	44 583 111
Service charges - water revenue	16 810 532	20 254 692	11 902 076
Service charges - sanitation revenue	4 236 875	5 192 934	2 825 235
Service charges - refuse revenue	3 861 751	4 690 390	2 622 996
Service charges - other	21 777 412	25 058 025	14 055 799
Rental of facilities and equipment	18 521	70 703	215 226
Interest earned - external investments	-	-	-
Interest earned - outstanding debtors	-	4 592	4 335
Fines	6 954	204 822	140 488
Licences and permits	-	-	-
Transfer receipts - operational grants	149 803 000	562 000	1 200 000
Other revenue	68 065 321	2 586 059	36 335 782
Cash Receipts by Source	321 782 952	146 502 958	138 090 380
Transfer receipts - capital grants	46 164 000	-	25 000 000
Proceeds on disposal of PPE	-	-	-
Total Cash Receipts by Source	367 946 952	146 502 958	163 090 380
Proceeds on disposal of PPE	-	-	-
Short term loan	-	-	-
Borrowing long term/ Refinancing	(5 042 312)	-	-
Increase (decrease) in consumer deposits	131 448	-	-
Decrease (increase) in non - current debtors	-	-	-
Decrease (increase) in non - current	(2 366 707)	-	-
Decrease (increase) in non- current investment	16 510	-	-
Total Cash Receipts by Source	360 685 891	146 502 958	163 090 380
Cash Payments by Type			
Employee related costs	43 836 835	42 356 718	48 109 656
Remuneration of councillors	2 515 169	2 515 169	2 521 669
Collection costs	-	536 906	431 219
Interest paid	-	-	-
Bulk purchases - Electricity	-	35 087 719	34 593 655
Bulk purchases - Water	-	-	8 695 652
Repairs and maintenance	-	592 037	4 542 162
Contracted services	-	269 314	2 837 962
General expenses	3 277 428	66 587 133	5 349 181
Cash Payments by Type	49 629 432	147 944 996	107 081 156
Other Cash Flows/Payments by Type			
Capital assets	3 776 812	18 121 726	16 722 162
Repayment of borrowing	391 412	391 547	4 822 540
Other Cash Flows/Payments	4 168 224	18 513 273	21 544 702
Investment	222 164 000	-	29 750 503
Total Cash Payments by Type	53 797 656	166 458 269	128 625 858
Net increase/(decrease) in cash held	84 724 235	(19 955 311)	4 714 019
Cash/ cash equivalent at the month begin	85 161 054	169 885 289	149 929 978
Cash/ cash equivalent at the month end	169 885 289	149 929 978	154 643 997

ANNEXURE C CAPITAL EXPENDITURE

NW403 City Of Matlosana - Budgeted Capital Expenditure - September 2017

	Original Budget	September 2017	YTD Actual	YTD Budget	Variance	YTD %
Capital Expenditure						
Council General	35 000 000	-	-	8 750 000	(8 750 000)	-
Council General Admin	35 000 000	-	-	8 750 000	(8 750 000)	-
Municipal & Environmental Services	10 952 000	-	-	2 738 000	(2 738 000)	-
Community and social services	-	-	-	-	-	-
Sport and recreation	10 952 000	-	-	2 738 000	(2 738 000)	-
Refuse removal	-	-	-	-	-	-
Public Safety	-	-	-	-	-	-
Health	-	-	-	-	-	-
Cemetery	-	-	-	-	-	-
Finance	5 000 000	-	-	1 250 000	(1 250 000)	-
ICT Hard/software	5 000 000	-	-	1 250 000	(1 250 000)	-
Macro city planning & Development	-	-	-	-	-	0
Market	-	-	-	-	-	0
Civil Services & Human Settlement	140 891 000	19 190 837	41 089 375	35 222 750	5 866 625	29.16
Water	42 187 000	12 562 886	27 658 546	10 546 750	17 111 796	65.56
Waste water management(Sewer)	7 484 000	-	-	1 871 000	(1 871 000)	-
Roads	91 220 000	6 627 951	13 430 829	22 805 000	(9 374 171)	14.72
Housing	-	-	-	-	-	-
PMU Unit	-	-	-	-	-	-
umping side	-	-	-	-	-	-
Electrical & Mechanical Engineering	21 904 000	3 691 055	3 691 055	5 476 000	(1 784 945)	16.85
Electrical	21 904 000	3 691 055	3 691 055	5 476 000	(1 784 945)	16.85
Total Capital Expenditure	213 747 000	22 881 892	44 780 430	53 436 750	(8 656 320)	20.95

CAPITAL FUNDING

National government	173 747 000	22 881 892	44 780 430	43 436 750	1 343 680	25.77
Provincial government	-	-	-	-	-	-
District municipality	-	-	-	-	-	-
Borrowing	30 000 000	-	-	7 500 000	(7 500 000)	-
Internal Generated funds	10 000 000	-	-	2 500 000	(2 500 000)	-
Financing Total	213 747 000	22 881 892	44 780 430	53 436 750	(8 656 320)	20.95

ANNEXURE D
DEBTOR'S AGE ANALYSIS - September 2017

Detail	0 - 30 Days	31 - 60 Days	61 - 90 Days	91 + 120 Days	Total
Debtors Age Analysis By Income Source					
Water Tariffs	39 475 350	28 595 063	26 105 490	722 135 937	816 311 840
Electricity Tariffs	52 217 148	16 436 218	10 373 595	182 436 029	261 462 990
Rates (Property Rates)	19 673 533	6 621 546	16 037 042	130 832 038	173 164 159
Sewerage/ Sanitation	6 763 590	4 018 219	4 218 100	121 421 130	136 421 039
Refuse Removal Tariffs	9 719 540	7 343 894	7 063 640	223 376 252	247 503 326
Other	30 720 628	27 652 940	24 685 667	801 323 949	884 383 184
Total By Income Source	158 569 789	90 667 880	88 483 534	2 181 525 335	2 519 246 538
Debtors Age Analysis By Customer Group					
Government	6 356 097	5 103 947	9 010 005	27 049 149	47 519 198
Business	49 188 456	14 220 085	12 301 425	(17 803 626)	57 906 340
Households	102 037 347	70 597 623	65 662 422	1 873 045 063	2 111 342 455
Other	987 889	746 224	1 509 682	46 234 749	49 478 544
Total By Customer Group	158 569 789	90 667 880	88 483 534	2 181 525 335	2 519 246 538

ANNEXURE E
OUTSTANDING CREDITORS STATEMENT - September 2017

Detail	0 - 30 Days	31 - 60 Days	61 - 90 Days	91 - 120 Days	121 +Days	Total
Bulk Electricity	69 082 997	-	-	-	103 442 684	172 525 681
Bulk Water	30 524 797	-	-	-	170 381 996	200 906 793
Auditor General	602 032	18 079	15 460	33 868	417 074	1 086 513
Trade Creditors	6 272 059	-	5 539 668	226 572	71 899 173	83 937 472
Total	106 481 885	18 079	5 555 128	260 440	346 140 927	458 456 459

ANNEXURE F

Investment Portfolio: 30 September 2017
City of Matlosana

INSTITUTION	INTEREST RATE	PERIOD	AUGUST 2017	SEPTEMBER 2017	MATURITY DATE	EXPLANATION
Call Investment						
ABSA: 3854	3.73%		12 059.07	12 207.84		
ABSA: 5047	4.70%		46 278.77	46 423.56		
ABSA: 6177	6.75%		24 189 136.01	12 687 027.28		MIG
ABSA: 2264	4.70%		5 896 048.78	5 896 048.78		
ABSA: 4682	6.65%		14 785 315.34	34 145 355.33		NDPG
ABSA: 4063	1.55%		172 722.39	172 913.09		
ABSA: 1223	6.75%		88 512 195.43	81 031 317.29		
INVESTEC	6.80%		5 647 329.29	5 677 732.04		
TOTAL Call Investment			139 261 085.08	139 669 025.21		
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			169 419 527.62	169 827 467.75		

Withdraw R35 000 000 from ABSA call - 01 September 2017
 Withdraw R5 739 197 from ABSA call (NDPG) - 06 September 2017
 Invest R25 000 000 with ABSA on call (NDPG) - 14 September 2017
 Withdraw R590 618 from ABSA call (MIG) - 22 September 2017
 Invest R27 000 000 with ABSA on call - 22 September 2017
 Withdraw R11 052 988 from ABSA call (MIG) - 29 September 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	2017	2016	MUNICIPAL COUNTRIES (C)
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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	10%	10%	The ratio will increasing as capital expenditure accelerates.
		386 426 262	44 780 430	
		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	0.004940314	0.0049	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.
		1 909 067		
		386 426 262		
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	0.027744173	0.028	
		65 233 057		
		2 260 169 000		
		-91 065 500		

2. FINANCIAL PERFORMANCE

1 Net Operating Surplus Margin	(Total Operating Revenue - Total Operating Expenditure)/Total Operating Revenue	0.829027714	0.8290	The restated assets register and the accompanying higher depreciation have a significant impact on financial performance of the municipality.
		2 260 169 000		
		386 426 262		

D. Expenditure Management

1 Creditors Payment Period (Trade Creditors)	Trade Creditors Outstanding / Credit Purchases (Operating and Capital) x 365	380.428913	380.43	Still way behind acceptable.
		458 456 459		
		439 863 012		
2 Remuneration as % of Total Operating Expenditure	Remuneration (Employee Related Costs and Councillors' Remuneration) / Total Operating Expenditure x100	0.400147493	0.40	Below NT norm
		154 627 500		
		386 426 262		
2 Contracted Services % of Total Operating Expenditure	Contracted Services / Total Operating Expenditure x100	0.008041061		The proposed lower ratio is a product of a change to create in

3 107 277
386 426 262

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 44 780 430	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	0.86 631 910 760 88 727 650 0	

3. BUDGET IMPLEMENTATION

1 Capital Expenditure Budget Implementation Indicator	Actual capital Expenditure / Budget Capital Expenditure x 100	0.209502028 44 780 430 213 747 000	0.21 Should be at 25%.
2 Operating Expenditure Budget Implementation Indicator	Actual Operating Expenditure / Budgeted Operating Expenditure x 100	0.471680366 386 426 262 819 254 500	0.47
3 Operating Revenue Budget Implementation Indicator	Actual Operating Revenue / Budget Operating Revenue x 100	0.85515418 631 910 760 738 943 660	0.86