

## MONTHLY BUDGET STATEMENT: 30 SEPTEMBER 2014

### MUNICIPAL FINANCE MANAGEMENT ACT NO.56 of 2003(MFMA): MONTHLY FINANCIAL REPORT FOR SEPTEMBER 2014 (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 2014 REPORT

The financial results for the period ended 30 September 2014 are summarized as follows:

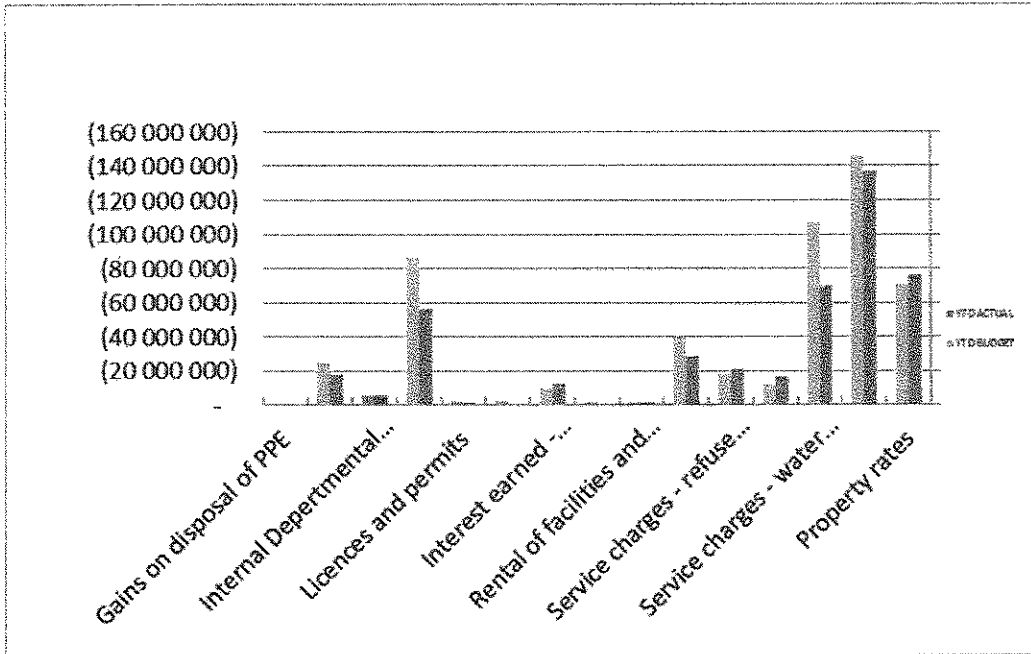
##### Statement of Financial Performance (SFP)

The SFP shown in Annexure A is prepared on a similar basis to the prescribed budget format, detailing revenue by source type and expenditure by category.

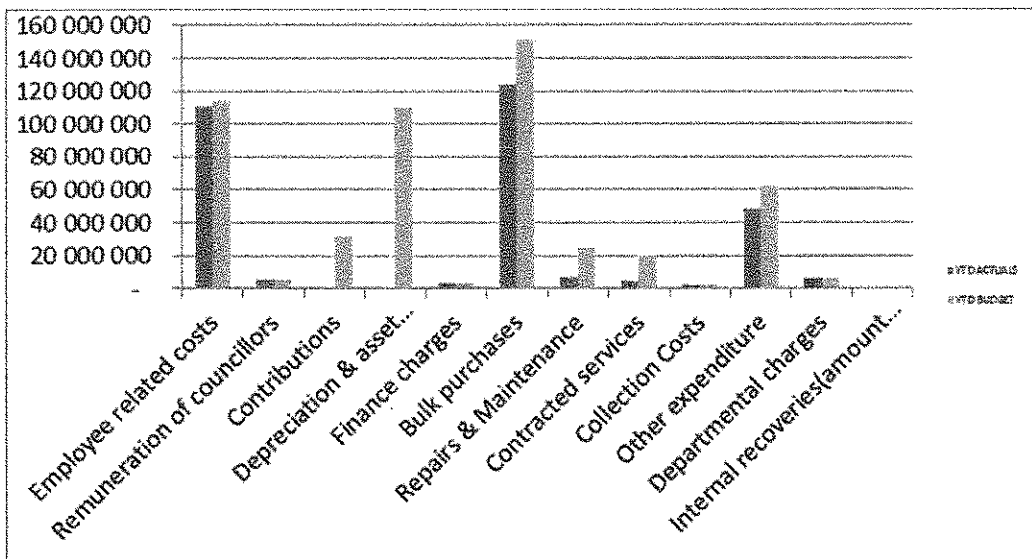
The summary report indicates the following:

| Description                 | Summary statement of Financial Performance |                       |                      |                                    |
|-----------------------------|--|-----------------------|----------------------|------------------------------------|
|                             | YTD Budget                                 | September Actual 2014 | YTD Actual           | Variance (Favourable) Unfavourable |
| Total Revenue By Source     | (503,776,326)                              | (168,506,365)         | (430,034,459)        | 73,741,867                         |
| Total Operating Expenditure | 529,971,152                                | 99,842,763            | 311,215,586          | (218,755,566)                      |
| <b>(SURPLUS)/ DEFICIT</b>   | <b>26,194,826</b>                          | <b>(68,663,602)</b>   | <b>(118,818,874)</b> | <b>(145,013,699)</b>               |

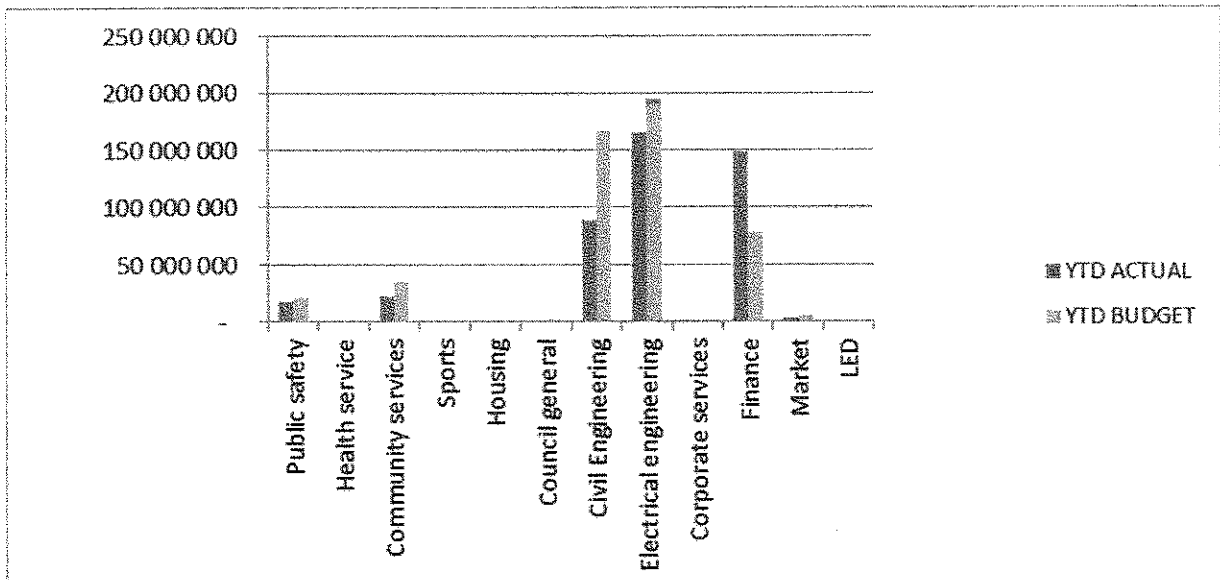
### YTD Actual Income vs YTD Budget Income



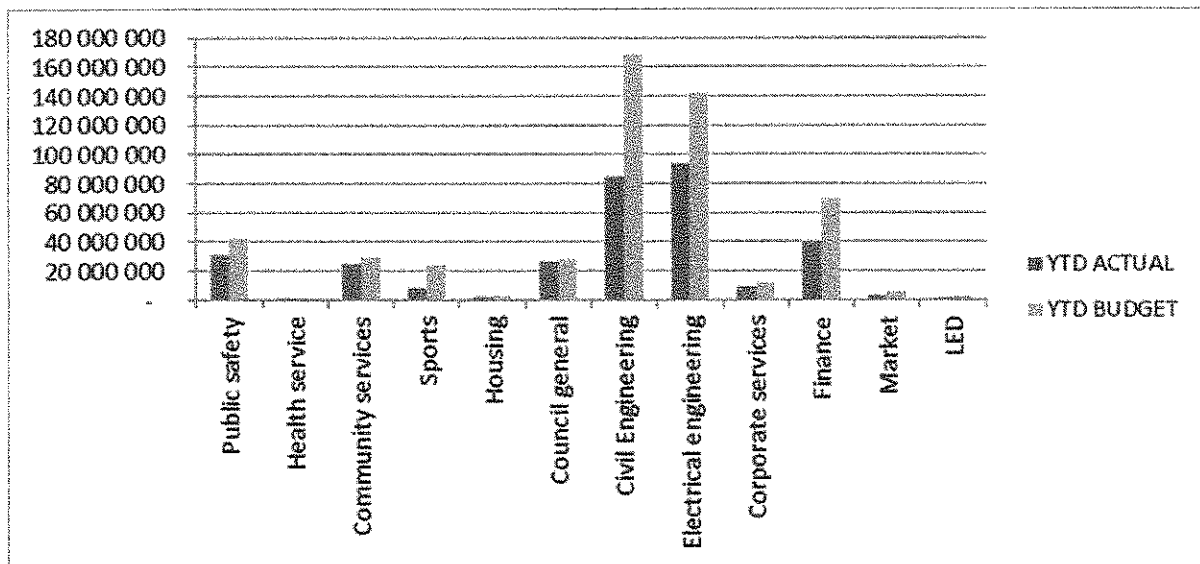
### YTD Actual Expenditure vs YTD Budget Expenditure



### Operating Income per department



### Operating Expenditure per department



**GRANTS AND SUBSIDIES****Operational allocation/ Grant received**

| DESCRIPTION                        | BUDGET             | SEPTEMBER RECEIVED 2014/15 | YTD RECEIVED       | YTD%         |
|------------------------------------|--------------------|----------------------------|--------------------|--------------|
| Equitable shares grants            | 339,135,990        | 0                          | 121,511,000        | 35.83        |
| Finance Management grant           | 1,600,000          | 0                          | 1,600,000          | 100          |
| Municipal System Improvement grant | 934,000            | 0                          | 934,000            | 100          |
| Improvement of Library services    | 400,000            | 0                          | 0                  | 0            |
| PMU                                | 3,200,000          | 0                          | 0                  | 0            |
| EPWP                               | 1,913,000          | 0                          | 765,000            | 39.99        |
| <b>TOTAL</b>                       | <b>347,182,990</b> | <b>0</b>                   | <b>124,810,000</b> | <b>35.95</b> |

**CAPITAL GRANT RECEIVED**

| DESCRIPTION  | BUDGET             | SEPTEMBER RECEIVED 2014/15 | YTD RECEIVED      | YTD%       |
|--------------|--------------------|----------------------------|-------------------|------------|
| MIG          | 90,564,448         | 0                          | 10,000,000        | 11%        |
| NDPG         | 21,625,000         | 8,405,000                  | 14,197,000        | 66%        |
| DME          | 1,100,000          | 0                          | 0                 | 0          |
| PMU          | 1,566,552          | 0                          | 0                 | 0          |
| <b>TOTAL</b> | <b>114,856,000</b> | <b>8,405,000</b>           | <b>24,197,000</b> | <b>21%</b> |

### Cash Flow Statement (Annexure B)

- Total cash receipts by source reflect an amount of R141 million.
- Total cash payments indicate an amount of R122 million.
- An amount of R97.8 million for services charges was received in September 2014 and it's included the arrears of previous months.

### Capital expenditure report (Annexure C)

The summary report indicates the following:

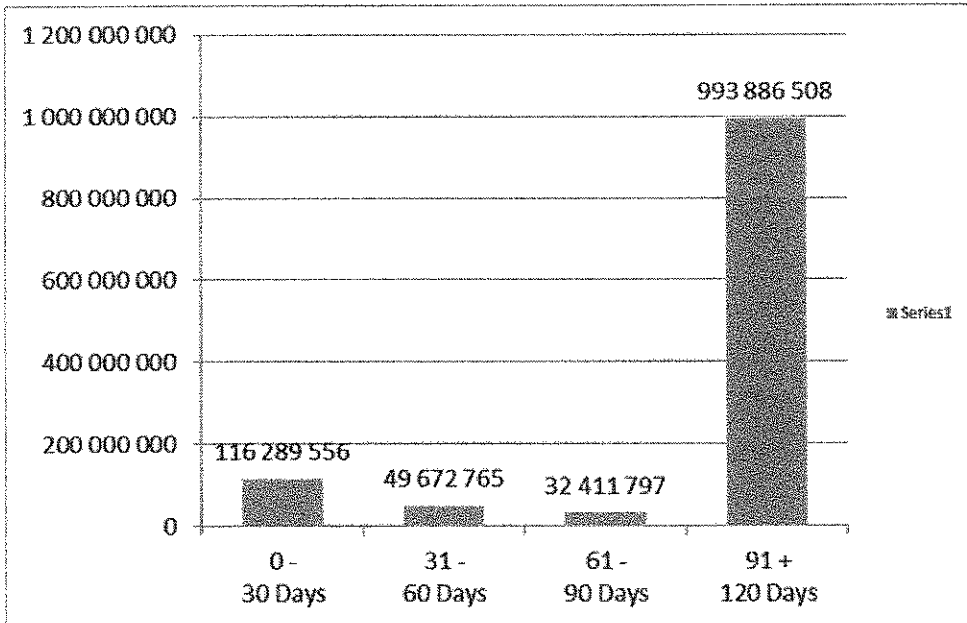
| <b>Summary statement of Capital Expenditure</b> |                   |                              |                   |                                    |
|---|-------------------|------------------------------|-------------------|------------------------------------|
| <b>Description</b>                              | <b>YTD Budget</b> | <b>September Actual 2014</b> | <b>YTD Actual</b> | <b>Variance Favourable (Unfav)</b> |
| Total Capital Expenditure                       | 31,141,514        | 1,578,893                    | 8,687,188         | (22,454,326)                       |
| <b>Capital funding</b>                          |                   |                              |                   |                                    |
| National government                             | 28,714,000        | 1,578,893                    | 8,687,188         | (20,026,812)                       |
| Provincial Government                           |                   |                              |                   |                                    |
| District Municipality                           |                   |                              |                   |                                    |
| Borrowing                                       |                   |                              |                   |                                    |
| Internal Generated fund                         | 2,427,514         | 0                            | 0                 | (2,427,514)                        |
| <b>Financial Total</b>                          | <b>31,141,514</b> | <b>1,578,893</b>             | <b>8,687,188</b>  | <b>(22,454,326)</b>                |

Council approved roll over of R9, 710,055 for own funding.

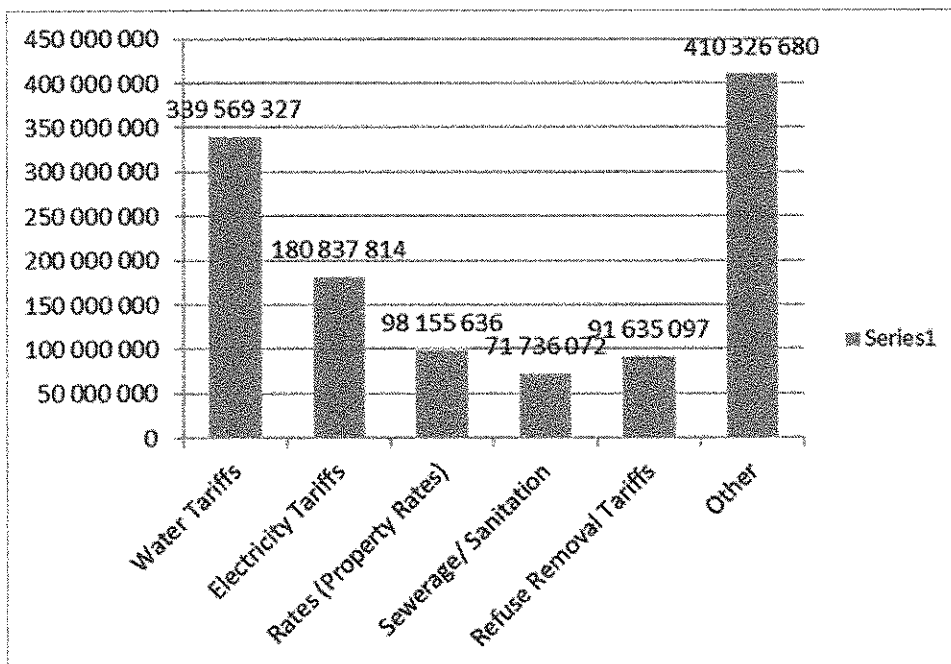
### Outstanding Debtors report (Annexure D)

This format 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 2014 amounts to R1075 billion.

It increased with R31 million from the previous month. The detailed Age Analysis are on annexure D.

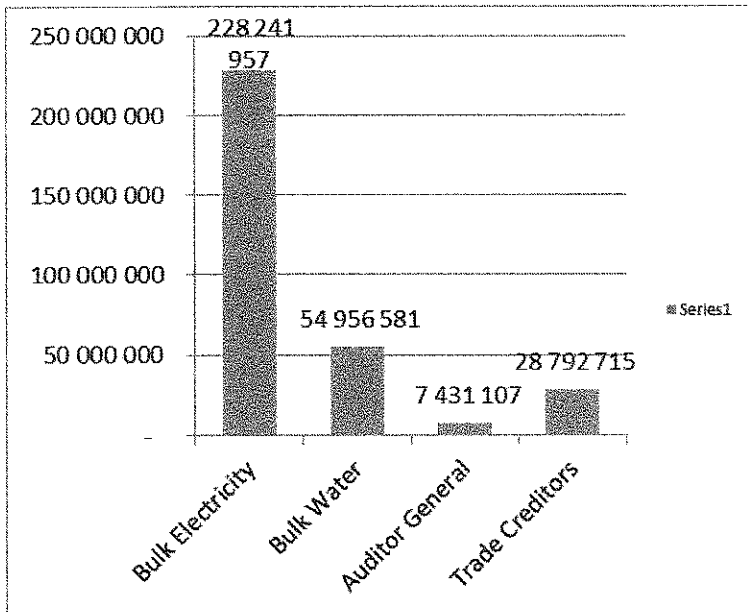


### Debtors by Customer group – 30 September 2014



### Outstanding Creditors report (Annexure E)

This format provides an extended aged analysis, as well as creditor's type. This month result indicates that (bulk purchase for electricity) have increased from R196.4 million to R228.2. The detailed Age Analysis are on annexure E.



### Investment Portfolio (Annexure F)

The table indicates the status of the investment portfolio and detail of where invested, which amounts to R40,218,588 as at 30 September 2014.

| Institution     | Investments |                   |               |                   |                   |
|-----------------|-------------|-------------------|---------------|-------------------|-------------------|
|                 | Fixed       | Call              | Long Term     | Collateral        | Total             |
|                 | R           | R                 | R             | R                 | R                 |
| ABSA            |             | 11,120,778        |               |                   | 11,120,778        |
| FNB             |             |                   | 92,642        |                   | 92,642            |
| RMB             |             |                   |               |                   | -                 |
| Investec        |             | 4,989,128         |               |                   | 4,989,128         |
| Nedcor          |             |                   |               | 17,131,213        | 17,131,213        |
| Sanlam (Policy) |             | 6,884,827         |               |                   | 6,884,827         |
|                 | -           | <b>22,994,733</b> | <b>92,642</b> | <b>17,131,213</b> | <b>40,218,588</b> |

- Included in the ABSA balance is the R245, 172.91 of MIG for 2013/14 financial year and R10, 081,139.94 for the 2014/15.

## **ANNEXURE G (BORROWINGS)**

The total amount outstanding on external loans at the end of September 2014 is R106, 035,759.72

### **Supply Chain Management**

List of the deviation (refer to annexure H)

## **FINANCIAL IMPLICATIONS**

The report covers the period from 1 July 2014 to 30 September 2014. The actual income and expenditure appears in "Annexure A" reflects detail that relates to the budget actual spending, and actual revenue, per month and year to date. Year to date actual revenue of R430 million is below than what is projected of R503.8 million YTD budget (Pro-rata) and vary by R73.7m.

Year to date actual expenditure of R311.2 million is below to projected expenditure of R529.9million YTD budget (Pro-rata) and vary by R218.7m, due to financial constraints as a result of low collection.

## **RECOMMENDATION**

That the Accounting Officer submits to the Executive Mayor this statement as per section 71 of the MFMA.



ANNEXURE A - FINANCIAL PERFORMANCE

Budgeted Financial Performance (revenue and expenditure) - SEPTEMBER 2014

| Description                              | Current Year 2014/15   |                      |                      |                      |                      |                 |              |
|--|------------------------|----------------------|----------------------|----------------------|----------------------|-----------------|--------------|
|  | Original Budget        | Sept 2014/15         | YTD Actual           | YTD Budget           | Variance             | Variance %      | YTD %        |
| <b>Revenue By Source</b>                 |                        |                      |                      |                      |                      |                 |              |
| Property rates                           | (281 145 162)          | (22 667 111)         | (75 987 280)         | (70 286 291)         | (5 700 989)          | 8.11            | 27.03        |
| Service charges - electricity revenue    | (584 282 257)          | (44 590 091)         | (136 967 216)        | (146 070 564)        | 9 103 348            | (6.23)          | 23.44        |
| Service charges - water revenue          | (426 387 853)          | (23 992 647)         | (70 234 821)         | (106 596 963)        | 36 362 142           | (34.11)         | 16.47        |
| Service charges - sanitation revenue     | (46 507 548)           | (5 635 139)          | (16 216 244)         | (11 626 887)         | (4 589 357)          | 39.47           | 34.87        |
| Service charges - refuse revenue         | (70 583 856)           | (7 857 989)          | (21 125 505)         | (17 640 964)         | (3 484 541)          | 19.75           | 29.94        |
| Service charges - other                  | (158 476 644)          | (8 269 419)          | (28 432 289)         | (30 619 161)         | 11 186 872           | (28.24)         | 17.94        |
| Rental of facilities and equipment       | (6 424 778)            | (321 234)            | (1 140 960)          | (1 606 195)          | 465 235              | (28.97)         | 17.76        |
| Interest earned - external investments   | (5 348 000)            | (23 305)             | (67 942)             | (1 337 000)          | 1 269 058            | (94.92)         | 1.27         |
| Interest earned - outstanding debtors    | (38 650 000)           | (5 376 308)          | (12 649 102)         | (9 662 500)          | (2 986 602)          | 30.91           | 32.73        |
| Fines                                    | (7 500 000)            | (101 452)            | (366 473)            | (1 875 000)          | 1 508 527            | (80.46)         | 4.89         |
| Licences and permits                     | (7 000 000)            | (425 589)            | (1 456 451)          | (1 750 000)          | 293 549              | (16.77)         | 20.81        |
| Transfers recognised - operational       | (347 182 990)          | (56 631 833)         | (56 631 833)         | (86 795 748)         | 30 163 915           | (34.75)         | 16.31        |
| Internal Departmental Transfers          | (24 219 238)           | (1 956 652)          | (5 775 949)          | (6 054 810)          | 278 861              | (4.61)          | 23.66        |
| Other revenue                            | (98 855 534)           | (6 594 771)          | (18 168 385)         | (24 963 884)         | 6 795 499            | (27.22)         | 18.19        |
| Gains on disposal of PPE                 | (421 600)              | -                    | -                    | (105 400)            | 105 400              | (100.00)        | -            |
| <b>Total Revenue</b>                     | <b>(2 103 965 480)</b> | <b>(183 443 549)</b> | <b>(445 220 429)</b> | <b>(525 991 365)</b> | <b>80 770 936</b>    | <b>(15.36)</b>  | <b>21.16</b> |
| <b>Expenditure By Type</b>               |                        |                      |                      |                      |                      |                 |              |
| Employee related costs                   | 453 698 224            | 37 230 634           | 110 663 651          | 113 424 556          | (2 760 905)          | (2.43)          | 24.39        |
| Remuneration of councillors              | 21 314 479             | 1 691 812            | 5 075 436            | 5 328 620            | (253 184)            | (4.75)          | 23.61        |
| Contributions                            | 127 885 274            | -                    | -                    | 31 971 319           | (31 971 319)         | (100.00)        | -            |
| Depreciation & asset impairment          | 439 206 526            | -                    | -                    | 109 801 632          | (109 801 632)        | (100.00)        | -            |
| Finance charges                          | 12 533 679             | 2 848 538            | 3 400 485            | 3 133 420            | 267 065              | 8.52            | 27.13        |
| Bulk purchases                           | 605 600 130            | 44 048 928           | 123 992 362          | 151 400 033          | (27 407 671)         | (18.10)         | 20.47        |
| Repairs & Maintenance                    | 98 919 123             | 3 094 910            | 7 250 061            | 24 729 781           | (17 479 720)         | (70.65)         | 7.33         |
| Contracted services                      | 79 397 966             | 1 578 213            | 4 407 298            | 19 849 492           | (15 442 194)         | (77.80)         | 5.55         |
| Collection Costs                         | 7 432 000              | 1 125 064            | 2 436 314            | 1 856 000            | 578 314              | 31.13           | 32.78        |
| Other expenditure                        | 250 280 502            | 6 275 097            | 48 246 945           | 62 570 126           | (14 323 181)         | (22.89)         | 19.28        |
| Departmental charges                     | 23 616 703             | 1 949 567            | 5 743 035            | 5 904 176            | (161 141)            | (2.73)          | 24.32        |
| Internal recoveries(amount charge out)   | -                      | -                    | -                    | -                    | -                    | -               | -            |
| <b>Total Expenditure</b>                 | <b>2 119 884 608</b>   | <b>99 842 763</b>    | <b>311 215 586</b>   | <b>529 971 152</b>   | <b>(218 755 566)</b> | <b>(41.28)</b>  | <b>14.68</b> |
| <b>(Surplus)/Deficit</b>                 | <b>15 919 148</b>      | <b>(83 600 787)</b>  | <b>(134 004 843)</b> | <b>3 979 787</b>     | <b>(137 984 630)</b> |                 |              |
| <b>TOTAL REVENUE</b>                     | <b>(2 103 965 480)</b> | <b>(183 443 549)</b> | <b>(445 220 429)</b> | <b>(525 991 365)</b> | <b>80 770 936</b>    |                 |              |
| <b>LESS REVENUE FOREGONE</b>             | <b>86 860 155</b>      | <b>14 937 185</b>    | <b>15 185 970</b>    | <b>22 215 039</b>    | <b>(7 029 069)</b>   | <b>(31.64)</b>  | <b>17.09</b> |
| <b>Income forgone on assessment rate</b> | <b>50 666 747</b>      | <b>14 937 185</b>    | <b>15 185 970</b>    | <b>12 686 687</b>    | <b>2 519 283</b>     | <b>19.89</b>    | <b>29.97</b> |
| <b>Income forgone on other</b>           | <b>38 193 408</b>      | <b>-</b>             | <b>-</b>             | <b>9 548 352</b>     | <b>(9 548 352)</b>   | <b>(100.00)</b> | <b>-</b>     |
| <b>TOTAL INCOME</b>                      | <b>(2 015 105 305)</b> | <b>(168 506 365)</b> | <b>(430 034 459)</b> | <b>(503 776 326)</b> | <b>73 741 867</b>    | <b>(32)</b>     | <b>17</b>    |
| <b>TOTAL EXPENDITURE</b>                 | <b>2 119 884 608</b>   | <b>99 842 763</b>    | <b>311 215 586</b>   | <b>529 971 152</b>   | <b>(218 755 566)</b> |                 | <b>-</b>     |
| <b>(Surplus)/ Deficit for the year</b>   | <b>104 779 303</b>     | <b>(68 663 602)</b>  | <b>(118 818 874)</b> | <b>26 194 826</b>    | <b>(145 013 699)</b> | <b>(553.60)</b> | <b>17</b>    |

OPERATING INCOME PER DEPARTMENT AS AT 30 SEPTEMBER 2014

|                        | BUDGET               | SEP                | YTD ACTUAL         | YTD BUDGET         | VARIANCE            | VARIANCE %    | YTD %        |
|------------------------|----------------------|--------------------|--------------------|--------------------|---------------------|---------------|--------------|
| Public safety          | 84 708 646           | 5 343 723          | 17 422 782         | 21 177 136         | (3 754 354)         | -17.73        | 20.57        |
| Health service         | 65 000               |                    | -                  | 16 250             | (16 250)            | -100.00       | -            |
| Community services     | 139 675 992          | 8 298 944          | 22 557 719         | 34 918 998         | (12 361 279)        | -35.40        | 16.15        |
| Sports                 | 1 514 086            | 70 689             | 171 641            | 378 517            | (206 876)           | -54.65        | 11.34        |
| Housing                | 2 584 702            | 85 592             | 262 841            | 646 176            | (383 335)           | -59.32        | 10.17        |
| Council general        | 8 802 025            | 146 714            | 589 307            | 2 200 506          | (1 611 200)         | -73.22        | 6.70         |
| Civil Engineering      | 665 477 323          | 30 166 977         | 88 312 487         | 166 369 331        | (78 056 844)        | -46.92        | 13.27        |
| Electrical engineering | 777 085 456          | 53 734 481         | 164 651 059        | 194 271 364        | (29 620 305)        | -15.25        | 21.19        |
| Corporate services     | 2 711 129            | 40 592             | 292 110            | 677 782            | (385 672)           | -56.90        | 10.77        |
| Finance                | 312 887 471          | 85 555 637         | 148 288 636        | 78 221 868         | 70 066 768          | 89.57         | 47.39        |
| Market                 | 19 588 596           |                    | 2 671 847          | 4 897 149          | (2 225 302)         | -45.44        | 13.64        |
| LED                    | 5 000                |                    | -                  | 1 250              | (1 250)             | -             | -            |
|                        | <b>2 015 105 306</b> | <b>183 443 549</b> | <b>445 220 428</b> | <b>503 776 326</b> | <b>(58 555 898)</b> | <b>-11.62</b> | <b>22.09</b> |

OPERATING EXPENDITURE PER DEPARTMENT

|                        | BUDGET               | SEP                | YTD ACTUAL         | YTD BUDGET         | VARIANCE             | VARIANCE %    | YTD %        |
|------------------------|----------------------|--------------------|--------------------|--------------------|----------------------|---------------|--------------|
| Public safety          | 169 953 084          | 9 133 917          | 31 494 284         | 42 488 271         | (10 993 987)         | -25.88        | 18.53        |
| Health service         | 6 134 075            | 341 577            | 962 953            | 1 533 519          | (570 566)            | -37.21        | 15.70        |
| Community services     | 118 284 237          | 8 871 781          | 25 248 433         | 29 571 059         | (4 322 626)          | -14.62        | 21.35        |
| Sports                 | 97 555 184           | 2 973 169          | 8 026 784          | 24 388 796         | (16 362 012)         | -67.09        | 8.23         |
| Housing                | 10 435 082           | 644 436            | 1 920 299          | 2 608 771          | (688 471)            | -26.39        | 18.40        |
| Council general        | 115 495 608          | 15 732 433         | 26 840 725         | 28 873 902         | (2 033 177)          | -7.04         | 23.24        |
| Civil Engineering      | 673 315 531          | 29 946 658         | 85 225 675         | 168 328 883        | (83 103 207)         | -49.37        | 12.66        |
| Electrical engineering | 570 596 379          | 33 076 752         | 93 953 773         | 142 649 095        | (48 695 322)         | -34.14        | 16.47        |
| Corporate services     | 46 542 417           | 3 000 482          | 9 003 250          | 11 635 604         | (2 632 354)          | -22.62        | 19.34        |
| Finance                | 279 959 009          | 9 677 061          | 39 645 307         | 69 989 752         | (30 344 445)         | -43.36        | 14.16        |
| Market                 | 21 735 532           | 991 817            | 2 825 704          | 5 433 883          | (2 608 179)          | -48.00        | 13.00        |
| LED                    | 9 878 470            | 389 864            | 1 254 366          | 2 469 618          | (1 215 251)          | -49.21        | 12.70        |
|                        | <b>2 119 884 608</b> | <b>114 779 947</b> | <b>326 401 555</b> | <b>529 971 152</b> | <b>(203 569 597)</b> | <b>-38.41</b> | <b>15.40</b> |

**GRANTS AND SUBSIDIES - SEPTEMBER 2014**

**Operational allocation/grant received**

|                                    | <b>BUDGET</b>      | <b>SEPT</b> | <b>RECEIVED<br/>1st Quarter</b> | <b>YTD<br/>RECEIVED</b> | <b>YTD%</b>  |
|------------------------------------|--------------------|-------------|---------------------------------|-------------------------|--------------|
| Equitable shares grants            | 339 135 990        | -           | 121 511 000                     | 121 511 000             | 35.83        |
| Finance Management Grant           | 1 600 000          | -           | 1 600 000                       | 1 600 000               | 100.00       |
| Municipal System Improvement Grant | 934 000            | -           | 934 000                         | 934 000                 | 100.00       |
| Improvement of library services    | 400 000            | -           | -                               | -                       | -            |
| PMU                                | 3 200 000          | -           | -                               | -                       | -            |
| EPWP (arbour week)                 | 1 913 000          | -           | 765 000                         | 765 000                 | 39.99        |
| Mayoral enviromental grant         | -                  | -           | -                               | -                       | -            |
| District assessment(Fire )         | -                  | -           | -                               | -                       | -            |
|                                    | <b>347 182 990</b> | <b>-</b>    | <b>124 810 000</b>              | <b>124 810 000</b>      | <b>35.95</b> |

**CAPITAL GRANT RECEIVED**

|      |                    |                  |                   |                   |              |
|------|--------------------|------------------|-------------------|-------------------|--------------|
| MIG  | 92 131 000         | -                | 10 000 000        | 10 000 000        | 10.85        |
| NDPG | 21 625 000         | 8 405 000        | 14 197 000        | 14 197 000        | 65.65        |
| DME  | 1 100 000          | -                | -                 | -                 | -            |
|      | <b>114 856 000</b> | <b>8 405 000</b> | <b>24 197 000</b> | <b>24 197 000</b> | <b>21.07</b> |

**ANNEXURE B**

Cash Flow Statement for the month of SEPTEMBER 2014

| <b>Cash Receipts by Source</b>              | <b>September 2014</b> |
|---|-----------------------|
| Property rates                              | 13 721 006            |
| Service charges - electricity revenue       | 43 633 968            |
| Service charges - water revenue             | 14 713 045            |
| Service charges - sanitation revenue        | 3 908 162             |
| Service charges - refuse revenue            | 3 630 097             |
| Service charges - other                     | 18 172 538            |
| Rental of facilities and equipment          | 190 979               |
| Interest earned - external investments      | 26 791                |
| Interest earned - outstanding debtors       | -                     |
| Fines                                       | 74 667                |
| Licences and permits                        | 414 959               |
| Transfer receipts - operational grants      | -                     |
| Other revenue                               | 34 184 521            |
| <b>Cash Receipts by Source</b>              | <b>132 670 734</b>    |
| Transfer receipts - capital grants          | 8 405 000             |
| Proceeds on disposal of PPE                 | -                     |
| <b>Total Cash Receipts by Source</b>        | <b>141 075 734</b>    |
| <b>Cash Payments by Type</b>                |                       |
| Employee related costs                      | 37 230 634            |
| Remuneration of councillors                 | 1 691 812             |
| Collection costs                            | 1 514 342             |
| Interest paid                               | 2 848 538             |
| Bulk purchases - Electricity                | 17 647 589            |
| Bulk purchases - Water                      | 13 243 145            |
| Repairs and maintenance                     | 1 036 537             |
| Contracted services                         | 1 125 064             |
| General expenses                            | 26 335 006            |
| <b>Cash Payments by Type</b>                | <b>102 672 667</b>    |
| <b>Other Cash Flows/Payments by Type</b>    |                       |
| Capital assets                              | 1 578 893             |
| Repayment of borrowing                      | 7 818 020             |
| <b>Other Cash Flows/Payments</b>            | <b>9 396 913</b>      |
| Investment                                  | 10 000 000            |
| <b>Total Cash Payments by Type</b>          | <b>122 069 580</b>    |
| <b>Net increase/(decrease) in cash held</b> | <b>29 006 154</b>     |

ANNEXURE C CAPITAL EXPENDITURE

NW403 City Of Matlosana - Budgeted Capital Expenditure - September 2014

| R thousand                                     | Original           | September        | YTD Actual       | YTD Budget        | Variance            | YTD %       |
|--|--------------------|------------------|------------------|-------------------|---------------------|-------------|
| <b>Capital Expenditure</b>                     |                    |                  |                  |                   |                     |             |
| <i>Council General</i>                         |                    |                  |                  |                   |                     |             |
| Council General Admin                          | -                  | -                | -                | -                 | -                   | 0           |
| <b>Municipal &amp; Environmental Services</b>  | <b>9 757 303</b>   | <b>-</b>         | <b>321 642</b>   | <b>2 439 326</b>  | <b>(2 117 684)</b>  | <b>3.30</b> |
| Community and social services                  |                    |                  | -                | -                 | -                   | -           |
| Sport and recreation                           | 9 588 303          |                  | 321 642          | 2 397 076         | (2 075 434)         | 3.35        |
| Refuse removal                                 | -                  |                  | -                | -                 | -                   | -           |
| Public Safety                                  | 169 000            |                  | -                | 42 250            | (42 250)            | 0           |
| Health   | -                  |                  | -                | -                 | -                   | 0           |
| Cemetary                                       | -                  |                  | -                | -                 | -                   | 0           |
| <b>Finance</b>                                 | <b>1 037 810</b>   |                  |                  | 259 453           | (259 453)           | 0           |
| ICT Hard/software                              | 1 037 810          |                  | -                | 259 453           | (259 453)           | 0           |
| <b>Macro city planning &amp; Development</b>   | <b>-</b>           | <b>-</b>         | <b>-</b>         | <b>-</b>          | <b>-</b>            | <b>0</b>    |
| Planning and development                       |                    |                  | -                | -                 | -                   | -           |
| Market   |                    |                  | -                | -                 | -                   | -           |
| <b>Civil Services &amp; Human Settlements</b>  | <b>108 676 328</b> | <b>1 490 793</b> | <b>8 447 446</b> | <b>27 169 082</b> | <b>(18 721 636)</b> | <b>7.77</b> |
| Water  | 30 196 615         | 323 254          | 1 791 025        | 7 549 154         | (5 758 128)         | 5.93        |
| Waste water management(Sewerage)               | 23 438 397         | 1 167 539        | 2 721 745        | 5 859 599         | (3 137 854)         | -           |
| Roads  | 55 041 316         |                  | 3 934 675        | 13 760 329        | (9 825 654)         | -           |
| Housing  |                    |                  | -                | -                 | -                   | -           |
| PMU Unit                                       |                    |                  | -                | -                 | -                   | -           |
| Dumping side                                   |                    |                  | -                | -                 | -                   | -           |
| <b>Electrical &amp; Mechanical Engineering</b> | <b>5 094 614</b>   | <b>88 100</b>    | <b>(81 900)</b>  | <b>1 273 654</b>  | <b>(1 355 554)</b>  | <b>-</b>    |
| Electrical                                     | 5 094 614          | 88 100           | (81 900)         | 1 273 654         | (1 355 554)         | -           |
|  |                    |                  |                  |                   |                     | -           |
| <b>Total Capital Expenditure</b>               | <b>124 566 055</b> | <b>1 578 893</b> | <b>8 687 188</b> | <b>31 141 514</b> | <b>(22 194 874)</b> | <b>6.97</b> |

CAPITAL FUNDING

|                          |                    |                  |                  |                   |                     |             |
|--------------------------|--------------------|------------------|------------------|-------------------|---------------------|-------------|
| National government      | 114 856 000        | 1 578 893        | 8 687 188        | 28 714 000        | (20 026 812)        | 8           |
| Provincial government    | -                  | -                | -                | -                 | -                   | -           |
| District municipality    | -                  | -                | -                | -                 | -                   | -           |
| Borrowing                | -                  | -                | -                | -                 | -                   | -           |
| Internal Generated funds | 9 710 055          | -                | -                | 2 427 514         | (2 427 514)         | -           |
|                          |                    |                  |                  |                   |                     | -           |
| <b>Financing Total</b>   | <b>124 566 055</b> | <b>1 578 893</b> | <b>8 687 188</b> | <b>31 141 514</b> | <b>(22 454 326)</b> | <b>6.97</b> |

**ANNEXURE D**  
**DEBTOR'S AGE ANALYSIS - SEPTEMBER 2014**

| Detail  | 0 -                | 31 -              | 61 -              | 91 -               | Total                |
|---|--------------------|-------------------|-------------------|--------------------|----------------------|
|   | 30 Days            | 60 Days           | 90 Days           | 120 Days           |                      |
| <b>Debtors Age Analysis By Income Source</b>  |                    |                   |                   |                    |                      |
| Water Tariffs                                 | 24 209 938         | 13 793 661        | 9 122 047         | 292 443 681        | 339 569 327          |
| Electricity Tariffs                           | 43 703 244         | 11 992 233        | 5 895 849         | 119 246 488        | 180 837 814          |
| Rates (Property Rates)                        | 17 263 308         | 5 802 137         | 4 188 491         | 70 901 700         | 98 155 636           |
| Sewerage/ Sanitation                          | 5 289 442          | 2 362 369         | 1 414 338         | 62 669 923         | 71 736 072           |
| Refuse Removal Tariffs                        | 7 401 629          | 4 653 847         | 2 024 515         | 77 555 106         | 91 635 097           |
| Other   | 18 421 995         | 11 068 518        | 9 766 557         | 371 069 610        | 410 326 680          |
| <b>Total By Income Source</b>                 | <b>116 289 556</b> | <b>49 672 765</b> | <b>32 411 797</b> | <b>993 886 508</b> | <b>1 192 260 626</b> |
| <b>Debtors Age Analysis By Customer Group</b> |                    |                   |                   |                    |                      |
| Government                                    | 5 911 162          | 3 502 700         | 1 540 193         | 12 097 693         | 23 051 748           |
| Business                                      | 30 419 061         | 7 048 115         | 3 629 873         | 71 612 741         | 112 709 790          |
| Households                                    | 79 154 349         | 38 504 729        | 26 691 162        | 876 846 359        | 1 021 196 599        |
| Other   | 804 984            | 617 221           | 550 569           | 33 329 715         | 35 302 489           |
| <b>Total By Customer Group</b>                | <b>116 289 556</b> | <b>49 672 765</b> | <b>32 411 797</b> | <b>993 886 508</b> | <b>1 192 260 626</b> |

ANNEXURE E  
 OUTSTANDING CREDITORS STATEMENT -SEPTEMBER 2014

| Detail           | 0 -<br>30 Days    | 31 -<br>60 Days   | 61 -<br>90 Days  | 91 -<br>120 Days  | 121 +Days         | Total              |
|------------------|-------------------|-------------------|------------------|-------------------|-------------------|--------------------|
| Bulk Electricity | 62 584 446        | 61 879 938        |                  | 31 879 938        | 71 897 635        | 228 241 957        |
| Bulk Water       | 20 053 283        | 3 169 076         | 2 544 933        | 19 550 452        | 9 638 837         | 54 956 581         |
| Auditor General  | 114 179           | 351 710           | 324 787          | 32 842            | 6 607 589         | 7 431 107          |
| Trade Creditors  | 15 126 615        | 5 167 354         | 548 837          | 7 951 909         | -                 | 28 792 715         |
| <b>Total</b>     | <b>97 878 523</b> | <b>70 568 078</b> | <b>3 416 557</b> | <b>59 415 141</b> | <b>88 144 061</b> | <b>319 422 360</b> |

ANNEXURE F

Investment Portfolio:30 September 2014

City of Matlosana

| INSTITUTION                  | INTEREST RATE | PERIOD             | AUGUST 2014       | SEPTEMBER 2014    | MATURITY DATE | EXPLANATION        |
|------------------------------|---------------|--------------------|-------------------|-------------------|---------------|--------------------|
| <b>Call Investment</b>       |               |                    |                   |                   |               |                    |
| ABSA                         | 3.30%         |                    | 10 056 654        | 10 081 140        |               |                    |
| ABSA                         | 3.25%         |                    | 43 123            | 43 123            |               |                    |
| ABSA                         | 4.47%         |                    | 9 617 051         | 245 173           |               |                    |
| ABSA                         | 3.25%         |                    | 389 415           | 390 640           |               |                    |
| ABSA                         | 5.15%         |                    | 192 582           | 193 465           |               |                    |
| ABSA                         | 2.80%         |                    | 167 158           | 167 236           |               |                    |
| INVESTEC                     | 4.70%         |                    | 4 989 128         | 4 989 128         |               |                    |
| <b>TOTAL Call Investment</b> |               |                    | <b>25 455 112</b> | <b>16 109 905</b> |               |                    |
| <b>Collateral</b>            |               |                    |                   |                   |               |                    |
| SANLAM                       | Policy        | Guaranteed Capital | 6 452 932         | 6 452 932         | 2018-12-01    | Policy             |
| SANLAM                       | Policy        | Guaranteed Capital | 431 895           | 431 895           | 2019-08-01    | Policy             |
| NEDCOR                       | Minimum 5%    |                    | 17 131 213        | 17 131 213        | 30/06/2019    | Security           |
| <b>TOTAL</b>                 |               |                    | <b>24 016 041</b> | <b>24 016 041</b> |               |                    |
| <b>Long Term investment</b>  |               |                    |                   |                   |               |                    |
| FNB                          | 10.00%        | 1 YEAR             | 78 642            | 78 642            |               | Housing Collateral |
| FNB                          | 9.50%         | 1 YEAR             | 14 000            | 14 000            |               | Housing Collateral |
| <b>TOTAL</b>                 |               |                    | <b>92 642</b>     | <b>92 642</b>     |               |                    |
| <b>TOTAL INVESTMENTS</b>     |               |                    | <b>49 563 795</b> | <b>40 218 588</b> |               |                    |

Withdraw R9 416 802 from ABSA on call (MIG) - 12 September 2014

Other changes are due to 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



INTERNAL USE ONLY



MIG BALANCE FOR 2014/15 FINANCIAL YEAR

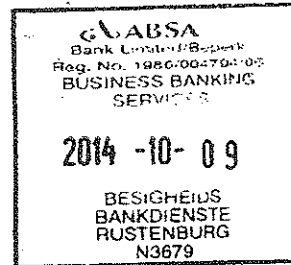
ACCOUNT NUMBER : 40-7303-3854  
CIF KEY : CMATLOS001

STATEMENT FOR PERIOD : 01/09/2014 - 09/10/2014

| DATE   | TRAN DESCRIPTION  | REFERENCE | CHARGES | TRAN AMOUNT | BALANCE     |
|--------|-------------------|-----------|---------|-------------|-------------|
| 010914 | BALANCE B/FORWARD |           |         |             | 10056654,06 |
| 010914 | CREDIT INTEREST   | HEADOFFIC |         | 24485,88    | 10081139,94 |
| 011014 | CREDIT INTEREST   | HEADOFFIC |         | 29414,83    | 10110554,77 |

\*\*\* END OF ENQUIRY 09/10/2014 12:15:02 \*\*\*

CHQQ PRES



## INTERNAL CHEQUE PRESENTATION ENQUIRY

1

INTERNAL USE ONLY



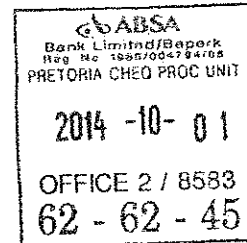
ACCOUNT NUMBER : 40-7826-6177  
 CIF KEY : CMATLOS001

STATEMENT FOR PERIOD : 01/09/2014 - 30/09/2014

| DATE   | TRAN DESCRIPTION  | REFERENCE | CHARGES      | TRAN AMOUNT | BALANCE    |
|--------|-------------------|-----------|--------------|-------------|------------|
| 010914 | BALANCE B/FORWARD |           |              |             | 9617051,42 |
| 010914 | CREDIT INTEREST   | HEADOFFIC |              | 44923,49    | 9661974,91 |
| 120914 | TRANSFER TO       | BUS W/CAP | 0,00         | 9416802,00- | 245172,91  |
|        |                   |           | 10-0010-0176 |             |            |

\*\*\* END OF ENQUIRY 01/10/2014 15:07:48 \*\*\*

CHQQ PRES



Drawdowns as at 30 September 2014

| Borrowing Reference No | Start Date | End Date   | Borrowing Period Years | Lender                 | Purpose                     | % Interest Rate (2 dec) Per Annum | Interest Paid This Quarter | Opening Balance 01/09/2014 | Debt Repaid or Re-deemed | Additional Principal Accrued | Balance at 31/09/2014 | Redemption 2014/15 |
|------------------------|------------|------------|------------------------|------------------------|-----------------------------|-----------------------------------|----------------------------|----------------------------|--------------------------|------------------------------|-----------------------|--------------------|
| ANNUITY LOANS          |            |            |                        |                        |                             |                                   |                            |                            |                          |                              |                       |                    |
| JBCO09588              | 1/10/1994  | 30/09/2014 | 20                     | Development Bank of SA | Provision of Infrastructure | 12                                | 148,912.18                 | 2,475,088.44               | 2,475,088.66             | 0.00                         | -0.24                 | 2,475,088.66       |
| NW10959                | 1/10/1997  | 30/09/2017 | 20                     | Development Bank of SA | Provision of Infrastructure | 15                                | 237,722.88                 | 3,160,977.75               | 359,252.26               | 0.00                         | 2,801,725.49          | 746,673.63         |
| NW11182                | 1/10/1998  | 30/09/2018 | 20                     | Development Bank of SA | Provision of Infrastructure | 15.25                             | 307,863.04                 | 3,948,052.64               | 320,637.30               | 0.00                         | 3,627,415.34          | 667,305.74         |
| NW13637                | 1/10/2000  | 30/09/2020 | 20                     | Development Bank of SA | Provision of Infrastructure | 15.6                              | 209,863.01                 | 2,683,200.26               | 126,097.78               | 0.00                         | 2,557,102.48          | 261,151.01         |
| NW13874/1              | 1/10/2001  | 30/09/2015 | 18                     | Development Bank of SA | Combination                 | 14.75                             | 60,456.14                  | 2,777,777.75               | 0.00                     | 0.00                         | 2,777,777.75          | 555,555.54         |
| NW13874/2              | 1/7/2004   | 30/09/2019 | 18                     | Development Bank of SA | Combination                 | 14.75                             | 326,433.16                 | 14,998,125.00              | 0.00                     | 0.00                         | 14,998,125.00         | 2,330,096.46       |
| NW101297/1             | 1/7/2004   | 30/09/2019 | 15                     | Development Bank of SA | Combination                 | 11.2                              | 0.00                       | 14,650,784.61              | 0.00                     | 0.00                         | 14,650,784.61         | 2,915,683.62       |
| NW101297/2             | 1/7/2004   | 30/09/2019 | 15                     | Development Bank of SA | Combination                 | 11.2                              | 0.00                       | 18,332,739.91              | 0.00                     | 0.00                         | 18,332,739.91         | 1,511,549.61       |
| NW103677/1             | 1/11/2025  | 31/3/2016  | 15                     | Development Bank of SA | Provision of Infrastructure | 14.75                             | 817,626.36                 | 30,827,935.96              | 356,611.87               | 0.00                         | 30,471,323.99         | 1,511,549.61       |
| 10556                  | 31/3/1998  | 30/09/2019 | 20                     | Development Bank of SA | Provision of Infrastructure | 15                                | 446,757.32                 | 5,940,488.93               | 567,840.46               | 0.00                         | 5,372,648.47          | 1,180,593.57       |
| 10906                  | 30/09/1999 | 30/09/2019 | 20                     | Development Bank of SA | Provision of Infrastructure | 15.25                             | 222,412.01                 | 2,908,909.15               | 177,800.21               | 0.00                         | 2,731,008.94          | 370,543.55         |
| 10912                  | 30/09/1999 | 30/09/2019 | 20                     | Development Bank of SA | Provision of Infrastructure | 15.25                             | 329,382.36                 | 4,307,966.02               | 263,462.37               | 0.00                         | 4,044,503.65          | 648,758.61         |
| 10913                  | 30/09/1999 | 30/09/2019 | 20                     | Development Bank of SA | Provision of Infrastructure | 15.25                             | 263,506.93                 | 3,315,597.22               | 202,772.05               | 0.00                         | 3,112,825.17          | 422,348.39         |
| 9743                   | 30/09/1995 | 30/09/2015 | 20                     | Development Bank of SA | Provision of Infrastructure | 10                                | 18,401.95                  | 367,033.47                 | 479,003.63               | 0.00                         | 188,029.84            | 367,033.47         |
| 9746                   | 30/09/1995 | 30/09/2015 | 20                     | Development Bank of SA | Provision of Infrastructure | 10                                | 27,146.31                  | 541,442.70                 | 171,693.36               | 0.00                         | 369,749.32            | 352,096.29         |
| TOTAL ANNUITIES        |            |            |                        |                        |                             |                                   | 3,400,484.65               | 111,236,119.71             | 5,200,359.99             | 0.00                         | 106,035,759.72        | 14,706,478.15      |

ANNEXURE H  
 SUPPLY CHAIN MANAGEMENT: DEVIATION FOR 14/15  
 List of the deviation as at 30 September 2014

| No. | MM Resolution | Description  | Awarded Bidder                    |
|-----|---------------|--|-----------------------------------|
| 1   | MM 01:2014/15 | DEVIATION FROM THE SCM PROSESSES FOR THE PROCUREMENT FOR UPDATE OF ASSETS REGISTER IN LINE WITH GRAP 17 AND GRAP 18 REQUIREMENTS   | Ducharme Consulting               |
| 2   | MM 02:2014/15 | DEVIATION FROM THE SCM PROCESS FOR THE APPOINTMENT OF SERVICE PROVIDER TO SUPPLY VEHICLE FOR THE EXECUTIVE MAYOR OF THE CITY OF MATLOSANA ON A FULL MAINTENANCE LEASE AGREEMENT FOR A PERIOD OF (THIRTY SIX) 36 MONTHS | Cargo Motors                      |
| 3   | MM 03:2014/15 |  |                                   |
| 4   | MM 04:2014/15 |  |                                   |
| 5   | MM 06:2014/15 | DEVIATION FROM THE SCM PROCESS: EXTENSION OF CONTRACT: TENDER EE 2012-02: REPAIR AND MAINTENANCE OF WALL MOUNTED AIR CONDITIONING UNITS AND REFRIGERATION  | Instant Services and Repairs      |
| 6   | MM 07:2014/15 | DEVIATION FROM THE SCM PROCESS FOR THE REPAIRS OF PAVILLION AT RECREATION FOR STRUCTURAL CERTIFICATE   | CMS Water Engineering cc          |
| 7   | MM 08:2014/15 | DEVIATIONS FROM THE SCM PROCESS FOR THE PURCHASE OF GOODS FOR MUSEUM PURPOSES  | Various Service Providers         |
| 8   | MM 09:2014/15 | DEVIATION FROM THE SCM PROCESSES TO EXTEND THE APPOINTMENT OF AUTO-MART CONVINIENCE CENTRE AS SERVICE PROVIDER TO SUPPLY FUEL AND OIL TO VEHICLES OF THE CITY OF MATLOSANA WITH EFFECT FROM 16 JUNE 2014               | Automart Convenience Centre       |
| 9   | MM 10:2014/15 | RESCIND RESOLUTION 89:2013/2014<br>DEVIATION FROM THE SCM PROSESSES FOR THE PROCUREMENT FOR THE MECHANICAL REPAIRS OF ACTOM HIGH VOLTAGE BREAKERS & ELECTRICAL PANELS RE-WIRING AT ROOSHEUWEL SUBSTATION IN KLERKSDORP | Actom South Africa                |
| 10  | MM 11:2014/15 | DEVIATION FROM THE SCM PROSESSES FOR THE PROCUREMENT: REPERFORMANCE OF THE MUNICIPAL INFRASTRUCTURE GRANTS REGISTERS   | Moore Stephens                    |
| 11  | MM 12:2014/15 | DEVIATION FROM SCM PROCEDURES TO RENEW THE LICENSE OF THE CASEWARE FINANCIAL REPORTING TOOL  | CQS Technology Holdings (Pty) Ltd |