

## QUARTERLY REPORT: JANUARY - MARCH 2016

MUNICIPAL FINANCE MANAGEMENT ACT NO.56 of 2003(MFMA): QUARTERLY FINANCIAL REPORT FOR JANUARY – MARCH 2016

### 1. PURPOSE

To comply with section 52(d) of the MFMA, by the provision of a statement to the Executive Mayor containing certain financial particulars, as legislated.

### 2. BACKGROUND

Section 52(d) of the MFMA requires that:

The Mayor of a Municipality must within **30 days** after the end of each quarter submit a report to the **Council** on the implementation of the budget and the financial state of affairs.

### 3. QUARTERLY REPORT : JANUARY – MARCH 2016

The financial results for the period ended 31 March 2016 are summarized as follows:

#### Statement of Financial Performance (SFP)

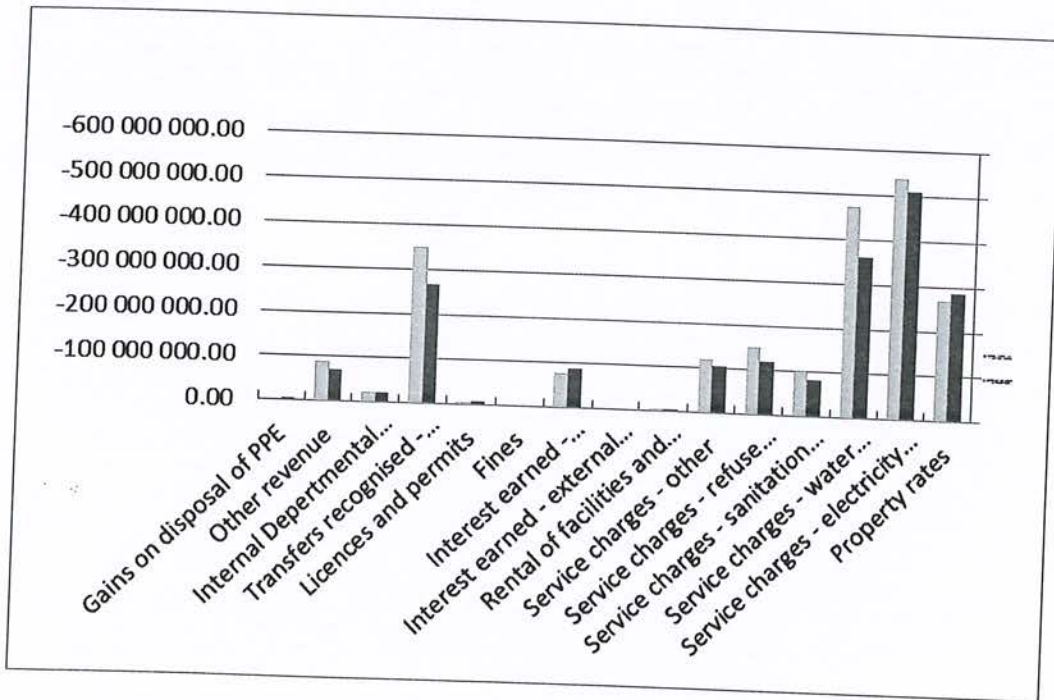
The SFP shown in Annexure A is prepared on a similar basis to the prescribed budget format, detailing revenue by source type and expenditure by category.

The summary report indicates the following:

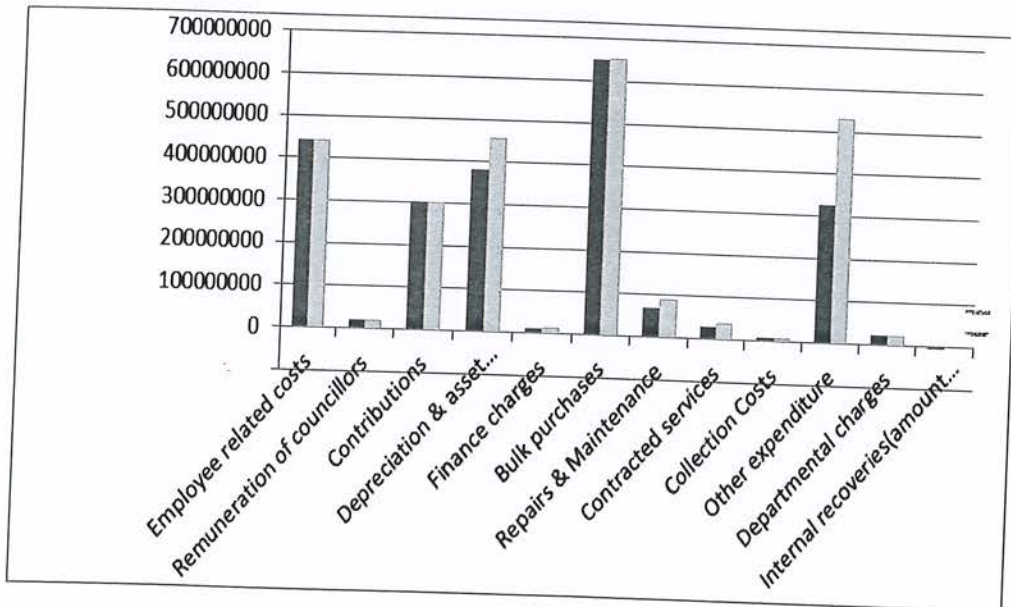
<b>Summary statement of Financial Performance</b>				
<b>Description</b>	<b>YTD Budget</b>	<b>3rd Quarter 2016</b>	<b>YTD Actual</b>	<b>Variance (Favourable) Unfavourable</b>
Total Revenue By Source	(1,796,005,498)	(563,470,900)	(1,686,855,141)	109,150,357
Total Operating Expenditure	2,036,083,329	680,433,239	1,980,109,216	(55,974,113)
<b>(SURPLUS)/ DEFICIT</b>	<b>240,077,831</b>	<b>116,962,338</b>	<b>293,254,075</b>	<b>53,176,244</b>

The total operational expenditure is high for the month of March, due to the non- cash item of depreciation which amounts to R76.9 million.

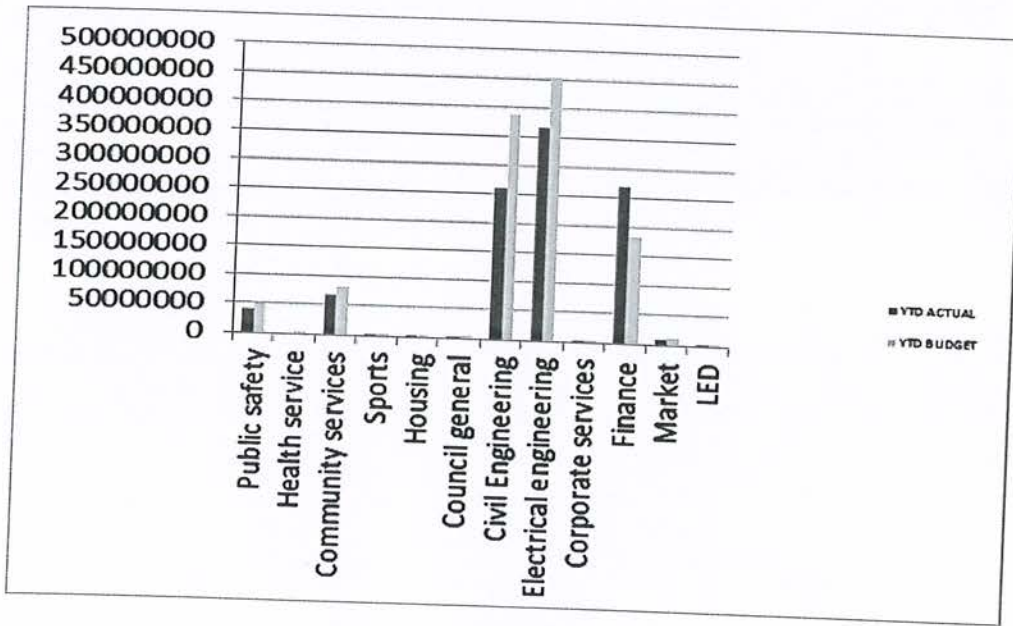
### YTD Actual Income vs YTD Budget Income



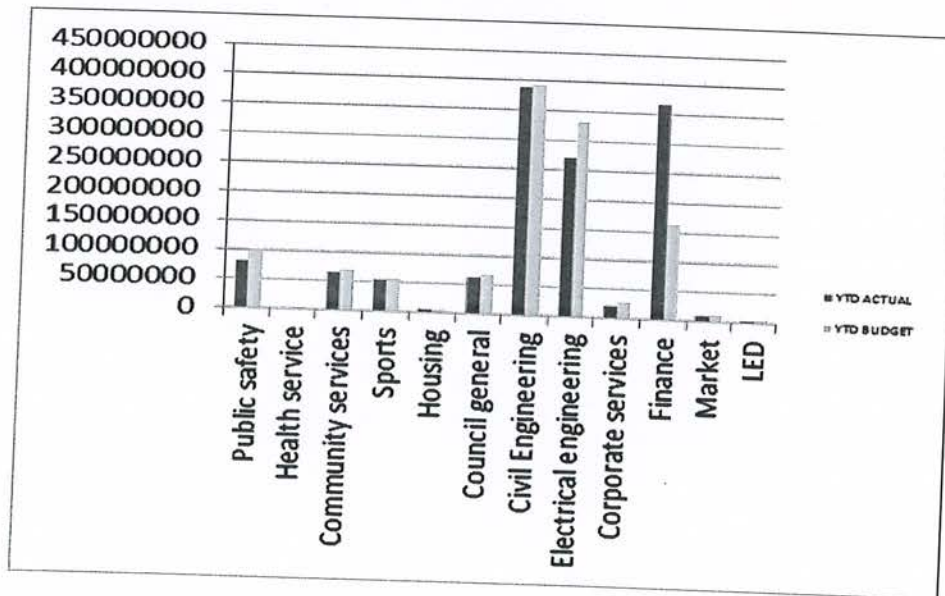
### YTD Actual Expenditure vs YTD Budget Expenditure



### Operating Income per department



### Operating Expenditure per department





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

DESCRIPTION	BUDGET	ADJUSTMENT BUDGET	3rd Quarter 2016	YTD RECEIVED	YTD%
Equitable shares grants	339,737,080	339,737,080	84,934,000	317,859,000	93.56
Finance Management grant	1,675,000	1,675,000	0	1,675,000	100
Municipal System Improvement grant	930,000	930,000	0	930,000	100
Improvement of library	1 000,000	800,000	0	1000,000	100
PMU	4,224,650	4,224,650	0	4,224,650	100
EPWP	3,028,000	3,028,000	908,000	3,028,000	100
Museum Grant	0		0	0	0
Grant – Research and Dev	0	107,350	0	0	0
<b>TOTAL</b>	<b>350,594,730</b>	<b>350,502,080</b>	<b>85,842,000</b>	<b>328,716,650</b>	<b>93.76%</b>

**CAPITAL GRANT RECEIVED**

DESCRIPTION	BUDGET	ADJUSTMENT BUDGET	3rd Quarter 2016	YTD RECEIVED	YTD%
MIG	80,268,351	80,268,351	13,517,000	80,268,351	100
NDPG	25,000,000	1,987,000	3,775,000	26,987,000	107.95
INEP	5,000,000	5,000,000	0	5,000,000	100
FIRE GRANT				1,438,751	
<b>TOTAL</b>	<b>110,268,351</b>	<b>87,255,351</b>	<b>17,292,000</b>	<b>113,694,102</b>	<b>103.11</b>

### Cash Flow Statement (Annexure B)

- Total cash receipts by source reflect an amount of R 228.4 million for the month of March 2016 includes the following grants received:
  - Equitable share R84,934,000
  - EPWP R 908,000
  - MIG R13,517,000
  - NDPG R 3,775,000
- Total cash payments indicate an amount of R 211 million for the month of March 2016.

### 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>3rd Quarter 2016</b>	<b>YTD Actual</b>	<b>Variance Favourable (Unfav)</b>
Total Capital Expenditure	<b>93,311,681</b>	<b>22,476,067</b>	<b>51,484,020</b>	<b>(41,827,661)</b>
<b>Capital funding</b>				
National government	85,327,761	18,561,778	43,575,118	(41,752,643)
Provincial Government				
District Municipality				
Borrowing				
Internal Generated fund	7,983,920	3,914,289	7,908,903	(75,018)
<b>Financial Total</b>	<b>93,311,681</b>	<b>22,476,067</b>	<b>51,484,020</b>	<b>(41,827,661)</b>

- The spending on capital for the third quarter ended on March 2016 is R 22,476,067.

### MIG Spending

<b>BUDGET</b>	<b>RECEIVED</b>	<b>SPENDING YTD</b>	<b>BALANCE</b>	<b>%SPENDING</b>
80,263,350	80,263,350	40,603,077	39,660,273	50.59

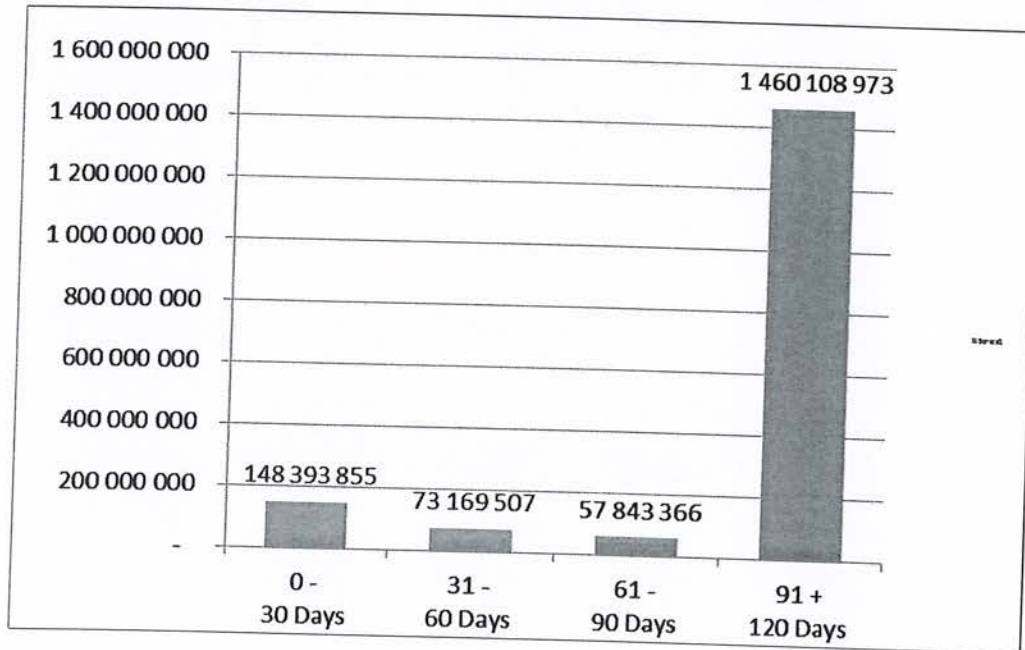
- The spending on MIG new capital for 3<sup>rd</sup> Quarter 2016 is R17, 747,665 and the Year to date actual is R40, 603,077.
- MIG roll over expenditure for 3<sup>rd</sup> Quarter 2016 amount to R814, 112 and the Year to date actual is R2, 972,039.
- The own funding spending for 3<sup>rd</sup> Quarter 2016 is 3,914,290, and the Year to date actual is R7, 908,904.

### 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 2016 amounts to R1.591 billion

A detailed Age Analysis is on annexure D.

### **Debtors by Customer group – 31 March 2016**

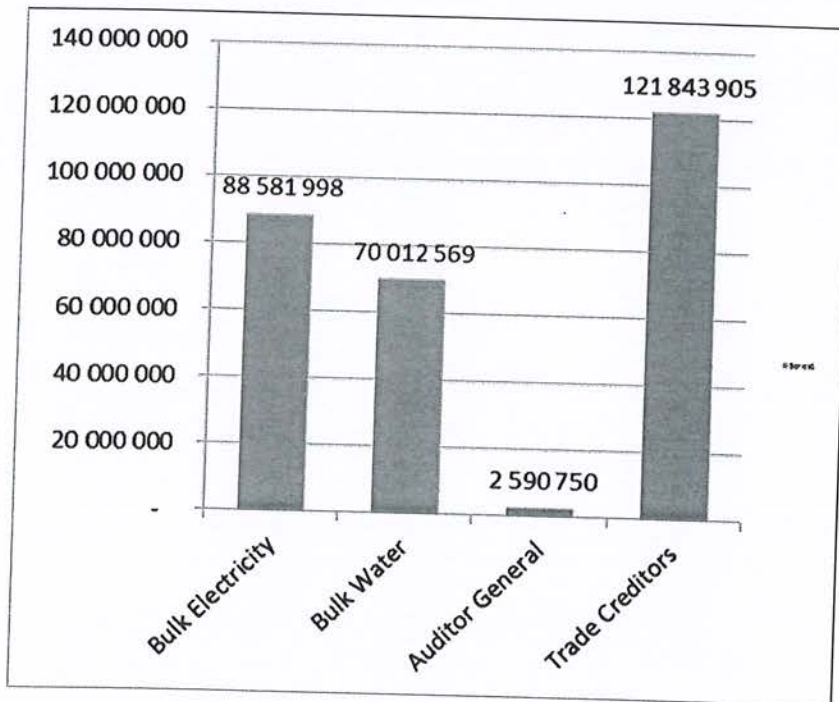


Debtors' book has increased by R41.39 million as compared to the previous month.



### 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 creditor's has decreased by R46.2 million compared to the previous month.

### Investment Portfolio (Annexure F)

The table indicates the status of the investment portfolio and detail of where invested, which amounts to **R123, 831,003** as at 31 March 2016.

Institution	Investments				
	Fixed	Call	Long Term	Collateral	Total
	R	R	R	R	R
ABSA		92,748,110			92,748,110
FNB			97,216		97,216
RMB					-
Investec		5,188,712			5,188,712
Nedcor				18,492,798	18,492,798
Sanlam (Policy)	7,304,167				7,304,167
	<b>7,304,167</b>	<b>97,936,822</b>	<b>97,216</b>	<b>18,492,798</b>	<b>123,831,003</b>

## **ANNEXURE G (BORROWINGS)**

The total amount outstanding on external loans at the end of March 2016 is R87, 144,893.05.

## **ANNEXURE I**

### **RATIOS**

### **FINANCIAL IMPLICATIONS**

The report covers the period from 1 July 2015 to 31 March 2016. 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 R 1,687 billion is less than what is projected of R 1,796 billion YTD budget (Pro-rata) and vary by R 109 million.

Year to date actual expenditure of R 1,980 billion is less than projected expenditure of R 2,036 billion YTD budget (Pro-rata) and vary by R 55.9 million.

### **RECOMMENDATION**

That the Executive Mayor submits to the Council this statement as per section 52(d) of the MFMA.



ANNEXURE A - FINANCIAL PERFORMANCE

Budgeted Financial Performance (revenue and expenditure) - Third quarter ended on 31 March 2016  
Current Year 2015/16

Description	Original Budget	Adjusted Budget	THIRD QUARTER 15/16	YTD ACTUAL	YTD BUDGET	Variance	YTD %	Variance%
<b>Revenue By Source</b>								
Property rates	(300 023 220)	(340 813 130)	(68 887 617)	(264 909 033)	-255 609 848	(9 299 186)	77.73	3.64
Service charges - electricity revenue	(753 498 900)	(731 683 864)	(167 088 760)	(514 131 351)	-548 762 898	34 631 547	70.27	(6.31)
Service charges - water revenue	(496 628 070)	(479 636 156)	(113 231 878)	(334 166 662)	-359 727 117	25 560 455	69.67	(7.11)
Service charges - sanitation revenue	(129 136 260)	(116 179 980)	(24 668 138)	(71 426 499)	-87 134 985	15 708 486	61.48	(18.03)
Service charges - refuse revenue	(159 485 860)	(160 000 000)	(33 254 893)	(99 468 675)	-120 000 000	20 531 325	62.17	(17.11)
Service charges - other	(17 500 000)	(5 000 000)	(484 539)	(1 469 131)	-3 750 000	2 280 869	29.38	(60.82)
Rental of facilities and equipment	(5 592 930)	(5 578 490)	(1 500 412)	(4 117 050)	-4 183 868	66 818	73.80	(1.60)
Interest earned - external investment	(2 108 000)	(2 108 000)	(143)	(483 492)	-1 581 000	1 097 508	22.94	(69.42)
Interest earned - outstanding debtors	(79 384 730)	(119 384 730)	(34 310 074)	(96 754 996)	-89 538 548	(7 216 448)	81.04	8.06
Fines	(3 031 130)	(2 516 130)	(296 806)	(1 351 935)	-1 887 098	535 163	53.73	(28.36)
Licences and permits	(7 271 320)	(7 552 230)	(1 812 255)	(5 339 312)	-5 664 173	324 860	70.70	(5.74)
Transfers recognised - operational	(350 594 730)	(350 502 080)	(86 145 414)	(229 352 892)	-262 876 560	33 523 668	65.44	(12.75)
Internal Departmental Transfers	(24 561 400)	(26 295 811)	(6 478 035)	(19 587 475)	-19 721 858	134 383	74.49	(0.68)
Other revenue	(109 760 560)	(105 306 366)	(29 535 176)	(73 959 728)	-78 979 775	5 020 046	70.23	(6.36)
Gains on disposal of PPE	-	(466 000)	3 013	(466 000)	-349 500	(116 500)	100.00	-
<b>Total Revenue</b>	<b>(2 438 577 110)</b>	<b>(2 453 022 967)</b>	<b>(567 691 129)</b>	<b>(1 716 984 232)</b>	<b>(1 839 767 225)</b>	<b>122 782 994</b>	<b>69.99</b>	<b>(6.67)</b>
<b>Expenditure By Type</b>								
Employee related costs	489 796 600	488 083 420	124 368 690	357 884 779	366 062 565	8 177 786	73.32	2.23
Remuneration of councillors	21 421 270	21 421 270	5 267 618	15 731 517	16 065 953	334 436	73.44	2.08
Contributions	378 022 590	412 022 590	93 380 648	280 141 943	309 016 943	28 875 000	67.99	9.34
Depreciation & asset impairment	463 943 670	450 000 000	115 400 732	346 202 197	337 500 000	(8 702 197)	76.93	(2.58)
Finance charges	10 934 050	11 098 980	2 650 332	8 235 899	8 324 235	88 336	74.20	1.06
Bulk purchases	747 356 860	747 356 860	209 701 490	552 933 597	560 517 645	7 584 048	73.99	1.35
Repairs & Maintenance	78 131 164	78 729 714	16 168 101	44 717 141	59 047 286	14 330 145	56.80	24.27
Contracted services	31 500 000	31 500 000	5 566 376	23 069 651	23 625 000	555 349	73.24	2.35
Collection Costs	8 000 000	12 045 000	2 478 687	8 441 572	9 033 750	592 178	70.08	6.56
Other expenditure	489 716 120	436 224 127	98 966 888	328 896 381	327 168 095	(1 728 286)	75.40	(0.53)
Departmental charges	24 552 310	26 295 811	6 486 647	19 686 813	19 721 858	35 045	74.87	0.18
Internal recoveries(amount charge on)	-	-	(2 970)	(37 917)	-	37 917	-	-
<b>Total Expenditure</b>	<b>2 743 374 634</b>	<b>2 714 777 772</b>	<b>680 433 239</b>	<b>1 980 109 216</b>	<b>2 036 083 329</b>	<b>50 141 839</b>	<b>72.94</b>	<b>2.46</b>
(Surplus)/Deficit	304 797 524	261 754 805	112 742 110	263 124 984	196 316 104	172 924 833		
<b>TOTAL REVENUE</b>	<b>(2 438 577 110)</b>	<b>(2 453 022 967)</b>	<b>(567 691 129)</b>	<b>(1 716 984 232)</b>	<b>(1 839 767 225)</b>	<b>122 782 994</b>	<b>69.99</b>	<b>(6.67)</b>
<b>LESS REVENUE FOREGONE</b>	<b>58 348 970</b>	<b>89 574 975</b>	<b>4 220 228</b>	<b>30 129 091</b>	<b>43 761 727.50</b>	<b>13 632 637</b>	<b>51.64</b>	<b>31.15</b>
Income forgone on assessment rate	29 954 820	61 180 825	702 319	24 756 577	22 466 115	(2 290 462)	40.46	(10.20)
Income forgone on other	28 394 150	28 394 150	3 517 909	5 372 513	21 295 612.50			
<b>TOTAL INCOME</b>	<b>(2 380 228 140)</b>	<b>(2 363 447 992)</b>	<b>(563 470 900)</b>	<b>(1 686 855 141)</b>	<b>(1 796 005 498)</b>	<b>109 150 357</b>	<b>71.37</b>	<b>(6.08)</b>
<b>TOTAL EXPENDITURE</b>	<b>2 743 374 634</b>	<b>2 714 777 772</b>	<b>680 433 239</b>	<b>1 980 109 216</b>	<b>2 036 083 329</b>	<b>(55 974 113)</b>	<b>72.94</b>	<b>(2.75)</b>
(Surplus)/ Deficit for the year	363 146 494	351 329 780	116 962 338	293 254 075	240 077 831	53 176 244	83.47	22.15

**GRANTS AND SUBSIDIES - MARCH 2016 - Third Quarter ended on 31 March 2016**  
**Operational allocation/grant received**

	<b>BUDGET</b>	<b>ADJUSTED</b>	<b>3rd Quarter Received</b>	<b>YTD RECEIVED</b>	<b>YTD%</b>
Equitable shares grants	339 737 080	339 737 080	84 934 000	317 859 000	93.56
Finance Management Grant	1 675 000	1 675 000	-	1 675 000	100.00
Municipal System Improvement Grant	930 000	930 000	-	930 000	100.00
Improvement of library services	1 000 000	800 000	-	1 000 000	100.00
PMU	4 224 650	4 224 650	-	4 224 650	100.00
EPWP (arbour week)	3 028 000	3 028 000	908 000	3 028 000	100.00
Museum Grant	-	-	-	-	-
Mayoral enviromental grant	-	-	-	-	-
District assessment(Fire )	-	-	-	-	-
Grant - Research and Development	-	107 350	-	-	-
	<b>350 594 730</b>	<b>350 502 080</b>	<b>85 842 000</b>	<b>328 716 650</b>	<b>93.76</b>

**CAPITAL GRANT RECEIVED**

MIG	80 268 351	80268351	13 517 000	80 268 351	100.00
NDPG	25 000 000	1 987 000	3 775 000	26 987 000	107.95
DME/INER	5 000 000	5 000 000	-	5 000 000	100.00
PMU	-	-	-	-	-
FIRE GRANT	-	-	1 438 751	1 438 751	-
	<b>110 268 351</b>	<b>87 255 351</b>	<b>18 730 751</b>	<b>113 694 102</b>	<b>103.11</b>

OPERATING INCOME PER DEPARTMENT - Third Quarter ended on 31 MARCH 2016

DESCRIPTION	BUDGET	ADJUSTED	3rd Quarter 15/16	YTD ACTUAL	YTD BUDGET	VARIANCE	VARIANC	YTD %
Public safety	79 976 360	77 101 246	19 169 112	51 895 804	57 825 935	(5 930 130)	-10.26	67.31
Health service	300 000	200 000	21 096	25 458	150 000	(124 542)	-	12.73
Community services	223 946 840	225 169 353	35 211 691	104 162 637	168 877 015	(64 714 377)	-38.32	46.26
Sports	1 801 600	2 545 421	326 832	809 484	1 909 066	(1 099 581)	-57.60	31.80
Housing	1 859 910	1 899 130	294 258	928 757	1 424 348	(495 590)	-34.79	48.90
Council general	4 652 000	5 556 000	39 199 743	40 990 316	4 167 000	36 823 316	883.69	737.77
Civil Engineering	779 276 620	741 789 591	100 315 413	369 649 806	556 342 193	(186 692 387)	-33.56	49.83
Electrical engineering	817 337 220	793 707 766	172 826 532	531 979 379	595 280 825	(63 301 446)	-10.63	67.02
Corporate services	493 430	351 770	204 024	704 155	263 828	440 328	166.90	200.17
Finance	448 883 570	496 607 125	190 983 358	572 289 157	372 455 344	199 833 813	53.65	115.24
Market	21 695 300	18 515 300	4 918 843	13 420 012	13 886 475	(466 463)	-3.36	72.48
LED	5 290	5 290	-	175	3 968	(3 793)	-	3.31
<b>TOTAL</b>	<b>2 380 228 140</b>	<b>2 363 447 992</b>	<b>563 470 902</b>	<b>1 686 855 141</b>	<b>1 796 005 495</b>	<b>(109 150 354)</b>	<b>-6.08</b>	<b>71.37</b>

OPERATING EXPENDITURE PER DEPARTMENT

DESCRIPTION	BUDGET	ADJUSTED	3rd Quarter 2014/1	YTD ACTUAL	YTD BUDGET	VARIANCE	VARIANC	YTD %
Public safety	170 416 254	170 730 929	40 846 963	117 461 110	128 048 197	(10 587 087)	-8.27	68.80
Health service	5 273 966	5 211 828	1 240 520	3 485 082	3 908 871	(423 789)	-10.84	66.87
Community services	181 127 948	155 238 323	39 520 412	96 788 820	116 428 742	(19 639 923)	-16.87	62.35
Sports	97 420 152	100 287 239	24 242 769	71 871 594	75 215 429	(3 343 835)	-4.45	71.67
Housing	10 671 256	10 355 324	2 393 544	7 092 874	7 766 493	(673 619)	-8.67	68.49
Council general	104 741 762	121 946 740	26 030 924	71 743 234	91 460 055	(19 716 821)	-21.56	58.83
Civil Engineering	892 812 689	825 036 842	177 801 870	513 784 593	618 777 632	(104 993 039)	-16.97	62.27
Electrical engineering	698 460 898	693 769 191	194 435 574	517 223 539	520 326 893	(3 103 355)	-0.60	74.55
Corporate services	49 552 170	52 804 846	12 074 358	36 391 637	39 603 635	(3 211 998)	-8.11	68.92
Finance	503 875 372	551 330 262	155 157 623	525 392 691	413 497 697	111 894 995	27.06	95.30
Market	21 473 717	20 596 209	5 215 899	14 515 925	15 447 157	(931 231)	-6.03	70.48
LED	7 548 450	7 470 039	1 472 784	4 358 117	5 602 529	(1 244 413)	-22.21	58.34
<b>TOTAL</b>	<b>2 743 374 634</b>	<b>2 714 777 772</b>	<b>680 433 239</b>	<b>1 980 109 216</b>	<b>2 036 083 329</b>	<b>(55 974 113)</b>	<b>-2.75</b>	<b>72.94</b>



## ANNEXURE B

## Cash Flow Statement for the 3rd Quarter ended on 31 March 2016

	February 2016	March 2016
<b>Cash Receipts by Source</b>		
Property rates	16 780 017	18 417 072
Service charges - electricity revenue	44 877 433	42 317 308
Service charges - water revenue	17 143 944	17 941 469
Service charges - sanitation revenue	4 257 425	4 001 892
Service charges - refuse revenue	3 696 292	3 872 015
Service charges - other	16 509 946	16 752 175
Rental of facilities and equipment	136 480	235 447
Interest earned - external investments	143	9 408
Interest earned - outstanding debtors	-	-
Fines	96 895	51 856
Licences and permits	601 661	536 858
Transfer receipts - operational grants	-	85 842 000
Other revenue	17 214 357	23 752 087
<b>Cash Receipts by Source</b>	<b>121 314 593</b>	<b>213 729 587</b>
Transfer receipts - capital grants	-	17 292 000
Proceeds on disposal of PPE	-	-
<b>Total Cash Receipts by Source</b>	<b>121 314 593</b>	<b>231 021 587</b>
Proceeds on disposal of PPE	-	-
Short term loan	-	-
Borrowing long term/ Refinancing	(14 859 712)	(2 652 986)
Increase (decrease) in consumer deposits	195 172	81 795
Decrease (increase) in non - current debtors	-	2 022
Decrease (increase) in non - current	2 015	-
Decrease (increase) in non- current investment	(60)	-
<b>Total Cash Receipts by Source</b>	<b>106 652 008</b>	<b>228 452 417</b>
<b>Cash Payments by Type</b>		
Employee related costs	40 270 767	41 360 442
Remuneration of councillors	1 755 372	1 755 373
Collection costs	181 683	1 262 333
Interest paid	238 188	2 156 434
Bulk purchases - Electricity	41 266 406	73 746 435
Bulk purchases - Water	10 643 347	22 760 926
Repairs and maintenance	1 614 032	1 452 769
Contracted services	4 354 733	1 280 637
General expenses	37 719 540	49 105 813
<b>Cash Payments by Type</b>	<b>138 044 068</b>	<b>194 881 162</b>
<b>Other Cash Flows/Payments by Type</b>		
Capital assets	4 920 184	11 426 916
Repayment of borrowing	391 412	4 809 420
<b>Other Cash Flows/Payments</b>	<b>5 311 596</b>	<b>16 236 336</b>
Investment	-	-
<b>Total Cash Payments by Type</b>	<b>143 355 664</b>	<b>211 117 498</b>
<b>Net increase/(decrease) in cash held</b>	<b>(36 703 656)</b>	<b>19 904 088</b>
Cash/ cash equivalent at the month begin	121 348 242	84 644 586
Cash/ cash equivalent at the month end	84 644 586	104 548 674



ANNEXURE C CAPITAL EXPENDITURE - Third Quarter ended on 31 March 2016

NW403 City Of Matlosana - Budgeted Capital Expenditure - March 2016

R thousand	Original Budget	Adjusted Budget	3rd Quarter 20	YTD Actual	YTD Budget	Variance	YTD %
<b>Capital Expenditure</b>							
<i>Council General</i>	8 000 000	6 500 000	9 925	3 993 606	4 875 000	(881 394)	61
Council General Admin	8 000 000	6 500 000	9 925	3 993 606	4 875 000	(881 394)	61
<i>Municipal &amp; Environmental Services</i>	-	3 445 227	2 076 174	2 076 174	2 583 920	(507 746)	-
Community and social services	-	-	-	-	-	-	-
Sport and recreation	-	-	814 112	814 112	-	814 112	-
Refuse removal	-	-	-	-	-	-	-
Public Safety	-	2 200 000	1 262 062	1 262 062	1 650 000	(387 938)	-
Public Safety (fire engine)	-	645 227	-	-	483 920	(483 920)	-
Health	-	-	-	-	-	-	-
Cemetery	-	-	-	-	-	-	-
Library (Vehicle)	-	600 000	-	-	-	-	-
Finance	2 000 000	3 500 000	3 904 365	14 339	450 000	(450 000)	-
ICT Hard/software	2 000 000	3 500 000	3 904 365	14 339	2 625 000.00	-2610661	0
				0		0	-
<i>Macro city planning &amp; Development</i>	-	-	-	-	-	-	-
Planning and development	-	-	-	-	-	-	-
Market	-	-	-	-	-	-	-
<i>Civil Services &amp; Human Settlement</i>	100268348	100 577 348	14 307 682	37 721 021	75 433 011	(37 711 990)	38
Water	25 464 399	25 464 399	253 880	10 067 134	19 098 299	(9 031 165)	40
Waste water management(Sewer)	24 863 329	24 863 329	4 822 033	10 377 820	18 647 497	(8 269 677)	42
Roads	49 940 620	50 249 620	9 231 769	15 664 789	37 687 215	(22 022 426)	31
Housing	-	-	-	-	-	-	-
PMU Unit	-	-	-	-	-	-	-
Dumping side	-	-	-	1 611 278	-	1 611 278	-
<i>Electrical &amp; Mechanical Engineering</i>	10 000 000	10 393 000	2 177 921	1 600 000	7 794 750	(6 194 750)	15
Electrical	10 000 000	10 393 000	2 177 921	1 600 000	7 794 750	(6 194 750)	0
					0		0
<b>Total Capital Expenditure</b>	<b>120 268 348</b>	<b>124 415 575</b>	<b>22 476 067</b>	<b>51 484 020</b>	<b>93 311 681</b>	<b>(41 827 661)</b>	<b>41</b>
<b>CAPITAL FUNDING</b>							
National government	110 268 348	113 770 348	18 561 778	43 575 118	85 327 761	(41 752 643)	38
Provincial government	-	-	-	-	-	-	-
District municipality	-	-	-	-	-	-	-
Borrowing	-	-	-	-	-	-	-
Internal Generated funds	10 000 000	10 645 227	3 914 289	7 908 903	7 983 920	(75 018)	-
<b>Financing Total</b>	<b>120 268 348</b>	<b>124 415 575</b>	<b>22 476 067</b>	<b>51 484 020</b>	<b>93 311 681</b>	<b>(41 827 661)</b>	<b>41</b>

ANNEXURE D  
DEBTOR'S AGE ANALYSIS - MARCH 2016

Detail	0 - 30 Days	31 - 60 Days	61 - 90 Days	91 + 120 Days	Total
<b>Debtors Age Analysis By Income Source</b>					
Water Tariffs	35 404 023	25 327 927	19 383 314	447 279 526	527 394 790
Electricity Tariffs	46 296 909	12 267 534	6 684 215	143 121 883	208 370 541
Rates (Property Rates)	20 393 323	5 415 324	4 295 378	113 786 380	143 890 405
Sewerage/ Sanitation	7 943 137	4 126 548	3 415 599	87 946 361	103 431 645
Refuse Removal Tariffs	9 120 979	6 376 735	5 869 814	138 816 679	160 184 207
Other	29 235 484	19 655 439	18 195 046	529 158 144	596 244 113
<b>Total By Income Source</b>	<b>148 393 855</b>	<b>73 169 507</b>	<b>57 843 366</b>	<b>1 460 108 973</b>	<b>1 739 515 701</b>
<b>Debtors Age Analysis By Customer Group</b>					
Government	4 347 698	3 234 049	2 354 686	30 627 724	40 564 157
Business	45 133 880	16 204 504	7 589 454	202 662 189	271 590 027
Households	3 545 055	1 958 238	1 148 125	46 007 062	52 658 480
Other	95367222	51772716	46751101	1 180 811 998	1 374 703 037
<b>Total By Customer Group</b>	<b>148 393 855</b>	<b>73 169 507</b>	<b>57 843 366</b>	<b>1 460 108 973</b>	<b>1 739 515 701</b>

**ANNEXURE E**  
**OUTSTANDING CREDITORS STATEMENT -MARCH 2016**

<b>Detail</b>	<b>0 - 30 Days</b>	<b>31 - 60 Days</b>	<b>61 - 90 Days</b>	<b>91 - 120 Days</b>	<b>121 +Days</b>	<b>Total</b>
Bulk Electricity	40 102 859	717 331	-	-	47 761 808	88 581 998
Bulk Water	24 151 597	22 234 564	14 259 493	-	636 358	70 012 569
Auditor General	-	-	107 552	8 730 557	2 216 428	2 590 750
Trade Creditors	23 639 347	17 242 613	10 602 143	266 770	-	121 843 905
<b>Total</b>	<b>87 893 803</b>	<b>40 194 508</b>	<b>24 969 188</b>	<b>79 357 129</b>	<b>50 614 594</b>	<b>283 029 222</b>

## ANNEXURE F

Investment Portfolio: 31 March 2016  
City of Matlosana

INSTITUTION	INTEREST RATE	PERIOD	FEBRUARY 2016	MARCH 2016	MATURITY DATE	EXPLANATION
<b>Call Investment</b>						
ABSA: 3854	3.30%		419 325	420 541		
ABSA: 5047	3.25%		43 123	43 277		
ABSA: 6177	4.47%		51 457 997	60 659 525		
ABSA: 2264	3.25%		5 497 669	5 517 325		
ABSA: 4682	5.15%		17 726 265	21 593 161		
ABSA: 4063	2.80%		168 815	168 996		
ABSA: 1223	5.50%		696 277	4 345 284		
INVESTEC	5.80%		5 159 515	5 188 713		
<b>TOTAL Call Investment</b>			<b>81 168 987</b>	<b>97 936 822</b>		
<b>Collateral</b>						
SANLAM	Policy	Guaranteed Capital	6 846 094	6 846 094	2018-12-01	Policy
SANLAM	Policy	Guaranteed Capital	458 072	458 072	2019-08-01	Policy
NEDCOR	Minimum 5%		18 492 798	18 492 798	30/06/2019	Security
<b>TOTAL</b>			<b>25 796 965</b>	<b>25 796 965</b>		
<b>Long Term Investment</b>						
FNB	10.00%	1 YEAR	83 216	83 216		Housing Collateral
FNB	9.50%	1 YEAR	14 000	14 000		Housing Collateral
<b>TOTAL</b>			<b>97 216</b>	<b>97 216</b>		
<b>TOTAL INVESTMENTS</b>			<b>107 063 168</b>	<b>123 831 003</b>		

Withdraw R1 454 264 from ABSA call - 01 March 2016 (MIG current allocation)  
 Withdraw R3 151 951 from ABSA call - 03 March 2016 (MIG current allocation)  
 Invest R10 000 000 with ABSA on call - 14 March 2016  
 Invest R88 600 000 with ABSA on call - 18 March 2016  
 Invest R6 778 000 with ABSA on call - 22 March 2016 (NDPG)  
 Withdraw R5 000 000 from ABSA call - 23 March 2016  
 Withdraw R50 000 000 from ABSA call - 24 March 2016  
 Invest R13 517 000 with ABSA on call - 24 March 2016 (MIG current allocation)  
 Withdraw R40 000 000 from ABSA call - 31 March 2016

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



# Annexure A as at 31 March 2016

Borrowing Reference No.	Start Date	End Date	Borrowing Period (Years)	Original Loan	Lender	Purpose	% Interest Rate (per annum)	Interest Paid Till quarter	Opening Balance 01/07/2015	Debt Repaid or Received	Additional Principal Accrued	Balance as at 31/03/2016	Redemption 2016/17
MM15188	1/10/1997	30/09/2017	20	7428171	Development Bank of SA	Provision of Infrastructure	15	331,897.54	2,614,504.57	827,053.74	0.00	1,657,851.78	827,053.72
MM11187	1/10/1998	30/09/2018	20	7428166	Development Bank of SA	Provision of Infrastructure	15.25	472,326.87	3,280,773.23	771,724.15	0.00	2,699,093.08	771,724.15
MM11287	1/10/2000	30/09/2020	20	3381590	Development Bank of SA	Provision of Infrastructure	14.75	347,008.82	2,220,048.71	354,431.95	0.00	2,115,717.78	354,431.95
MM11314	1/10/2001	30/09/2018	18	1000200	Development Bank of SA	Combustion	14.75	148,852.25	2,222,222.20	277,777.37	0.00	1,944,444.83	655,655.64
MM11317	1/10/2001	30/09/2018	18	4288135	Development Bank of SA	Combustion	14.75	1,032,608.17	14,698,125.00	1,239,656.81	0.00	14,988,172.00	1,239,656.81
MM11317/1	1/10/2004	30/09/2018	15	2801000	Development Bank of SA	Combustion	11.2	652,423.43	12,230,488.14	1,641,624.39	0.00	11,042,172.50	3,584,873.65
MM11317/2	1/10/2004	30/09/2018	15	3228000	Development Bank of SA	Combustion	11.2	672,451.22	14,611,624.39	1,674,813.80	0.00	13,642,164.49	3,247,125.68
10964	30/09/1998	30/09/2018	20	1328724	Development Bank of SA	Provision of Infrastructure	15	3,292,208.71	29,215,336.24	1,287,006.46	0.00	28,833,979.78	3,247,125.68
10912	30/09/1998	30/09/2018	20	682700	Development Bank of SA	Provision of Infrastructure	15.25	648,658.43	4,789,896.35	426,211.28	0.00	3,337,684.27	3,337,684.27
10913	30/09/1998	30/09/2018	20	7477000	Development Bank of SA	Provision of Infrastructure	15.25	519,293.92	2,628,246.67	426,211.28	0.00	2,110,124.24	3,337,684.27
8744	30/09/1998	30/09/2018	20	6726000	Development Bank of SA	Provision of Infrastructure	15.25	681,497.69	3,709,207.41	624,181.27	0.00	3,178,616.64	426,211.27
							10	424,442.60	189,244.44	488,101.46	0.00	2,605,147.27	488,101.46
							10	9,482.26	189,244.44	1,384,729.84	0.00	87,144,833.06	13,108,641.97
								2,235,989.29	84,629,621.49	3,184,729.84	0.00	87,144,833.06	13,108,641.97

# Certificate of Expenditure and Revenue

MUNICIPALITY: Matlosana LM  
 MIS NO: 2015/2016  
 BANK ACCOUNT NO: R 84,493,000  
 R 1,000,100,176.00  
 BANK NAME: ABSA BANK KLERKSDORP

ALLOCATION 15/16  
 SPENT 15/16  
 TO BE SPEND  
 % SPENT

ALLOCATION 2015/16  
 R 84,493,000  
 R 44,152,396  
 R 40,340,604  
 52%

DATE	BUDGETARY ESTIMATE		ADVANCES REQUESTED		AMOUNT RECEIVED		ACTUAL EXPENDITURE		BALANCE	
		Total	Total	Total	Total	Total	Total	Total	Total	Total
July-15										
August-15		R 34,398,000.00		R 34,398,000.00		R 34,398,000.00		R 3,759,021.00		R 30,638,979.00
September-15								R 134,818.00		R 30,504,161.00
October-15								R 190,701.00		R 30,313,460.00
November-15		R 36,578,000.00		R 36,578,000.00				R 13,683,503.00		R 16,629,957.00
December-15								R 5,798,626.16		R 10,831,330.84
January-16								R 1,980,864.65		R 45,528,466.19
February-16								R 5,929,149.31		R 39,599,316.88
March-16	R							R 5,139,757.86		R 34,459,559.02
April-16								R 7,635,955.28		R 26,823,603.74
May-16								R 0.00		R 26,823,603.74
June-16								R 0.00		R 26,823,603.74
July-16								R 0.00		R 26,823,603.74
TOTAL	R	84,493,000	R	84,493,000	R	70,976,000		44,152,396.26		26,823,603.74

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.

DATE: 04/04/2016  
 ACTING PMU MANAGER  
 CITY OF MATLOSANA LOCAL MUNICIPALITY

DATE: 05/04/16  
 MUNICIPAL MANAGER  
 CITY OF MATLOSANA LOCAL MUNICIPALITY

DATE: 5/4/16  
 ACTING CHIEF FINANCIAL OFFICER  
 CITY OF MATLOSANA LOCAL MUNICIPALITY

DATE: \_\_\_\_\_  
 PROVINCIAL M/G MANAGER  
 Department of Local Government & Housing

# Template for Calculation of Uniform Financial Ratios and Norms

RATIO	FORMULA	Value	MUNICIPAL COMMENTS (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) × 100	1 980 109 216 51 484 020	The ratio is increasing. Indicated an acceleration in capital expenditure.
--	---	-----------------------------	--

### B. Debtors Management

1 Collection Rate	(Gross Debtors Closing Balance + Billed Revenue - Gross Debtors Opening Balance - Bad Debts Written Off)/Billed Revenue × 100	1 612 010 858 1 650 821 724 130 101 611 138 825 326	This indicates a collection rate of 66%
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### C. Liquidity Management

1 Current Ratio	Current Assets / Current Liabilities	222 668 723 636 026 282	Have decrease sligtly from the previous month.
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### 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 × 100	0.004159316 8 235 899	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.
--	--	--------------------------	---

1 980 109 216

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) × 100	0.072509133 87 144 893 1 530 563 777 328 716 650	Also as per above.
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## 2. FINANCIAL PERFORMANCE



1 Net Operating Surplus Margin

(Total Operating Revenue - Total Operating Expenditure)/Total Operating Revenue

0.23371233

1 530 563 777

The restated assets register and the accompanying higher depreciation have a significant impact on financial performance of the municipality.

1 980 109 216

**D. Expenditure Management**

1 Creditors Payment Period (Trade Creditors)

Trade Creditors Outstanding / Credit Purchases (Operating and Capital) x 365

55.7488606

256 664 619  
1 680 439 473

Improvement, but still way behind acceptable.

2 Remuneration as % of Total Operating Expenditure

Remuneration (Employee Related Costs and Councillors' Remuneration) /Total Operating Expenditure x100

0.188684691  
373 616 296

1 980 109 216

Well below NT norm

2 Contracted Services % of Total Operating Expenditure

Contracted Services / Total Operating Expenditure x100

0.011650696

23 069 651  
1 980 109 216

The proposed lower ratio is a product of a change to create in inhouse capacity for many of the current outsourced services to improve the performance of the municipality.

**E. Grant Dependency**

1 Own funded Capital Expenditure (Internally generated funds + Borrowings) to Total Capital Expenditure

Own funded Capital Expenditure (Internally generated funds + Borrowings) / Total Capital Expenditure x 100

0.153618599

7 908 903

51 484 020

There should be an increase in the ratio as the current capital spending do not address the previous underspending and there is no growth in the grant funded capital projects.

2 Own funded Capital Expenditure

0.153618599

7908903  
51484020

There should be an increase in the

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

0.133578916

1716984232

1487631340

0

Improvement reflects less reliance on grants as well as the adjustment in tariffs to the norm.



Operating Revenue

**3. BUDGET IMPLEMENTATION**

1	Capital Expenditure Budget Implementation Indicator	Actual capital Expenditure / Budget Capital Expenditure x 100	<div style="background-color: black; color: white; padding: 2px;">0.551742189</div> 51 484 020 93 311 681	Should be at 66%
2	Operating Expenditure Budget Implementation Indicator	Actual Operating Expenditure / Budgeted Operating Expenditure x 100	<div style="background-color: black; color: white; padding: 2px;">0.972508922</div> 1 980 109 216 2 036 083 329	Should be atleast 92%
3	Operating Revenue Budget Implementation Indicator	Actual Operating Revenue / Budget Operating Revenue x 100	<div style="background-color: black; color: white; padding: 2px;">0.892221101</div> 1 716 984 232 1 839 767 225	Should be atleast 92%