

## QUARTERLY REPORT: APRIL - JUNE 2016

### MUNICIPAL FINANCE MANAGEMENT ACT NO.56 of 2003(MFMA): QUARTERLY FINANCIAL REPORT FOR APRIL – JUNE 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 : APRIL – JUNE 2016

The financial results for the period ended 30 June 2016 are summarized as follows:

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

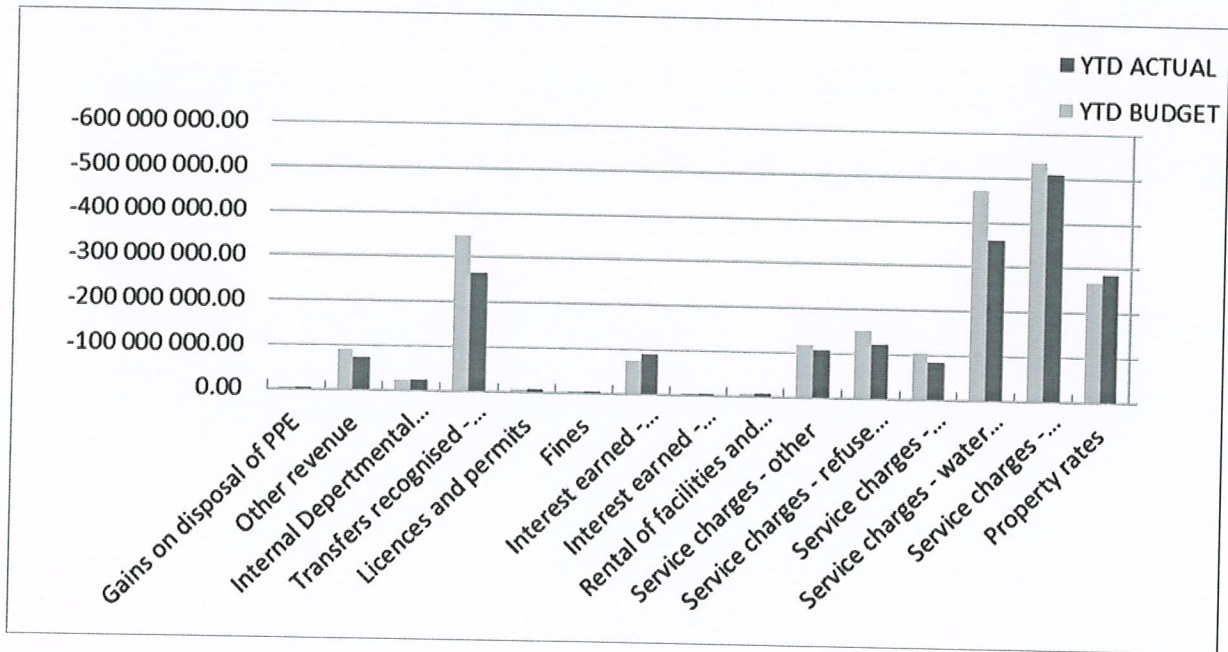
The SFP shown in Annexure A is prepared on a similar basis to the prescribed budget format, detailing revenue by source type and expenditure by category.

The summary report indicates the following:

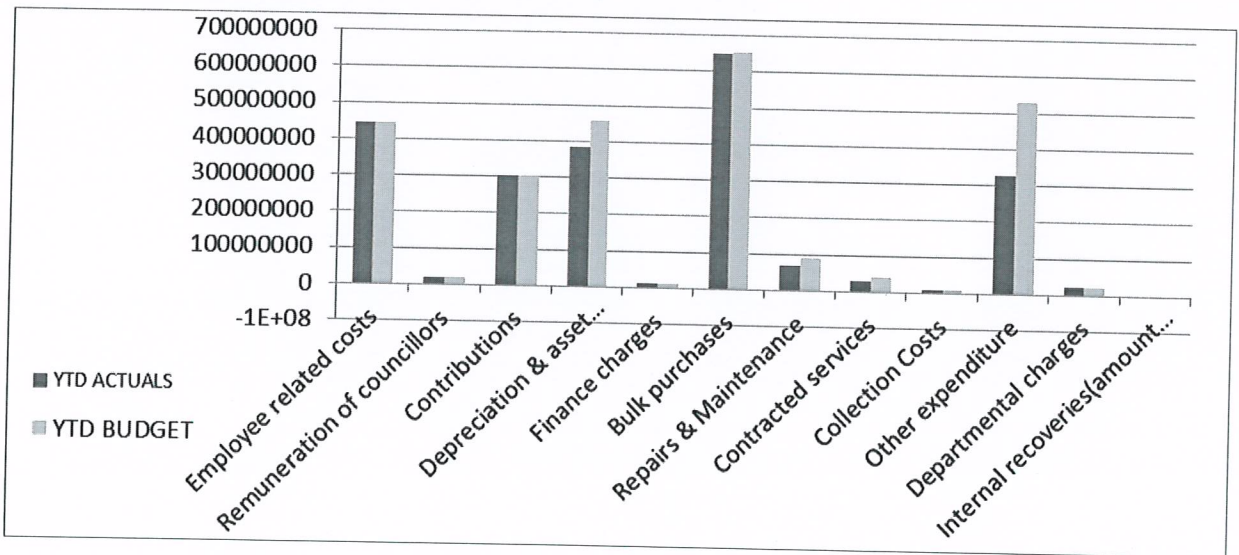
<b>Summary statement of Financial Performance</b>				
<b>Description</b>	<b>YTD Budget</b>	<b>4th Quarter 2016</b>	<b>YTD Actual</b>	<b>Variance (Favourable) Unfavourable</b>
Total Revenue By Source	(2,394,673,997)	(532,823,691)	(2,217,762,324)	176,911,673
Total Operating Expenditure	2,714,777,772	575,289,167	2,555,398,382	(159,379,390)
<b>(SURPLUS)/ DEFICIT</b>	<b>320,103,775</b>	<b>42,465,476</b>	<b>337,636,058</b>	<b>17,532,283</b>

- Please take note that the figures in this report are subject to change as year- end is not yet finalized.

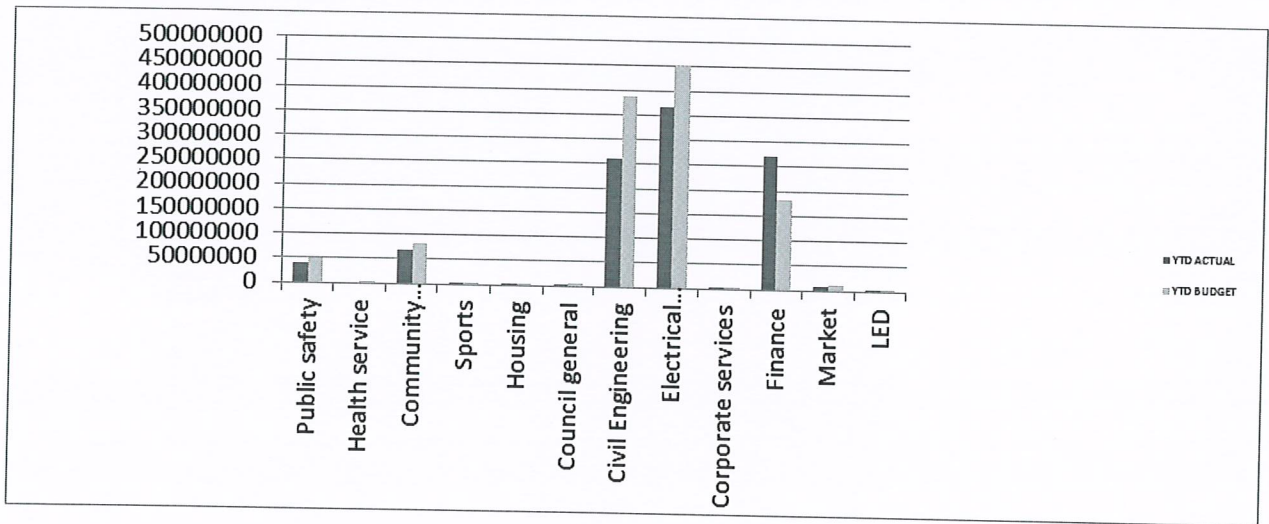
### YTD Actual Income vs YTD Budget Income



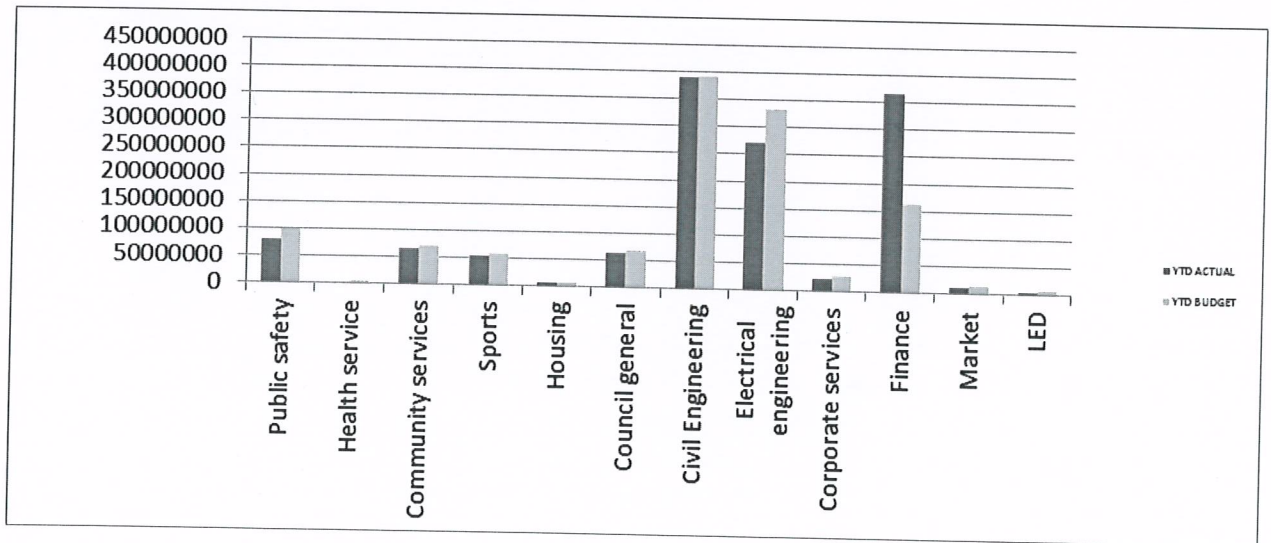
### YTD Actual Expenditure vs YTD Budget Expenditure



## Operating Income per department



## Operating Expenditure per department





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

<b>DESCRIPTION</b>	<b>BUDGET 2015/16</b>	<b>ADJUSTED BUDGET 2015/16</b>	<b>4<sup>th</sup> Quarter RECEIVED 2015/16</b>	<b>YTD RECEIVED</b>	<b>YTD%</b>
Equitable shares grants	339,737,080	339,737,080	0	339,737,000	100
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 services	1,000,000	1,000,000	0	1,000,000	100
PMU	4,224,650	4,224,650	0	4,224,650	100
EPWP	3,028,000	3,028,000	0	3,028,000	100
Museum grant	0	100,000	0	100,000	100
<b>TOTAL</b>	<b>350,594,730</b>	<b>350,694,730</b>	<b>0</b>	<b>350,694,730</b>	<b>100%</b>

**CAPITAL GRANT RECEIVED**

<b>DESCRIPTION</b>	<b>BUDGET 2015/16</b>	<b>ADJUSTMENT BUDGET 2015/16</b>	<b>4<sup>th</sup> Quarter RECEIVED 2015/16</b>	<b>YTD RECEIVED 2015/16</b>	<b>YTD%</b>
MIG	80,268,351	58,390,271	0	80,268,351	100%
NDPG	26,987,000	26,987,000	0	26,987,000	100%
INEP	5,000,000	5,000,000	0	5,000,000	100%
FIRE GRANT	0	2,200,000	761,249	2 200 000	100%
<b>TOTAL</b>	<b>87,255,351</b>	<b>92,577,271</b>	<b>761,249</b>	<b>114,455,351</b>	<b>103.80%</b>



### Cash Flow Statement (Annexure B)

- Total cash receipts by source reflect an amount of R 183, 7 million for the month of June 2016.
- Total cash payments indicate an amount of R 229 million for the month of June 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>4<sup>th</sup> Quarter 2016</b>	<b>YTD Actual</b>	<b>Variance Favourable (Unfav)</b>
Total Capital Expenditure	<b>124,415,575</b>	<b>55,510,303</b>	<b>106,994,323</b>	<b>(17,421,254)</b>
<b>Capital funding</b>				
National government	113,770,348	52,738,985	96,314,103	(17,456,245)
Provincial Government				
District Municipality				
Borrowing				
Internal Generated fund	10,645,227	2,771,316	10,680,219	34,992
<b>Financial Total</b>	<b>124,415,575</b>	<b>55,510,301</b>	<b>106,994,321</b>	<b>(17,421,254)</b>

- The spending on capital for the fourth quarter ended on June 2016 is R 55,510,301.

### MIG Spending

<b>BUDGET</b>	<b>RECEIVED</b>	<b>SPENDING YTD</b>	<b>BALANCE</b>	<b>%SPENDING</b>
80,263,350	80,263,350	77,018,009	22,425,673	95.9

- The spending on MIG new capital for June month 2016 is R35, 354,697 and the Year to date actual is R77, 018,009.
- The spending on INEP capital for 4<sup>th</sup> Quarter 2016 is R3, 120,946 and the Year to date actual is R3, 049,622.
- The spending on NDPG capital for 4<sup>th</sup> Quarter 2016 is R8, 662,255 and the Year to date actual is R10, 884,044.
- The spending on MIG roll over for 4<sup>th</sup> Quarter 2016 is R2, 390,387, and the year to date actual is R5, 362,426.

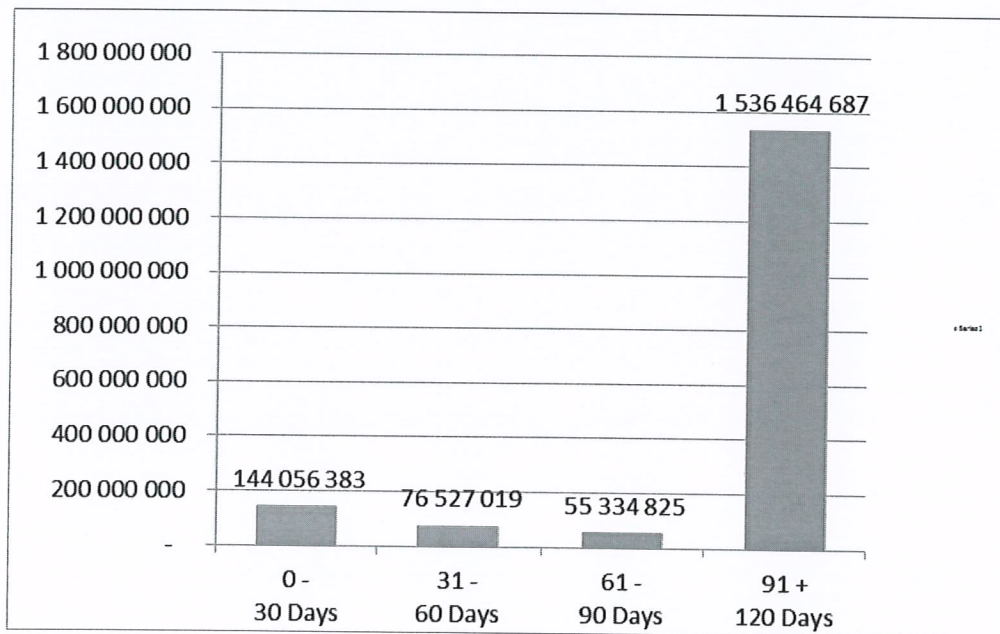
- The Council funded capital expenditure for 4<sup>th</sup> Quarter 2016 is R2, 771,316 and the year to date actual is R10, 680,220.

**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 June 2016 amounts to R1.668 billion.

A detailed Age Analysis is on annexure D.

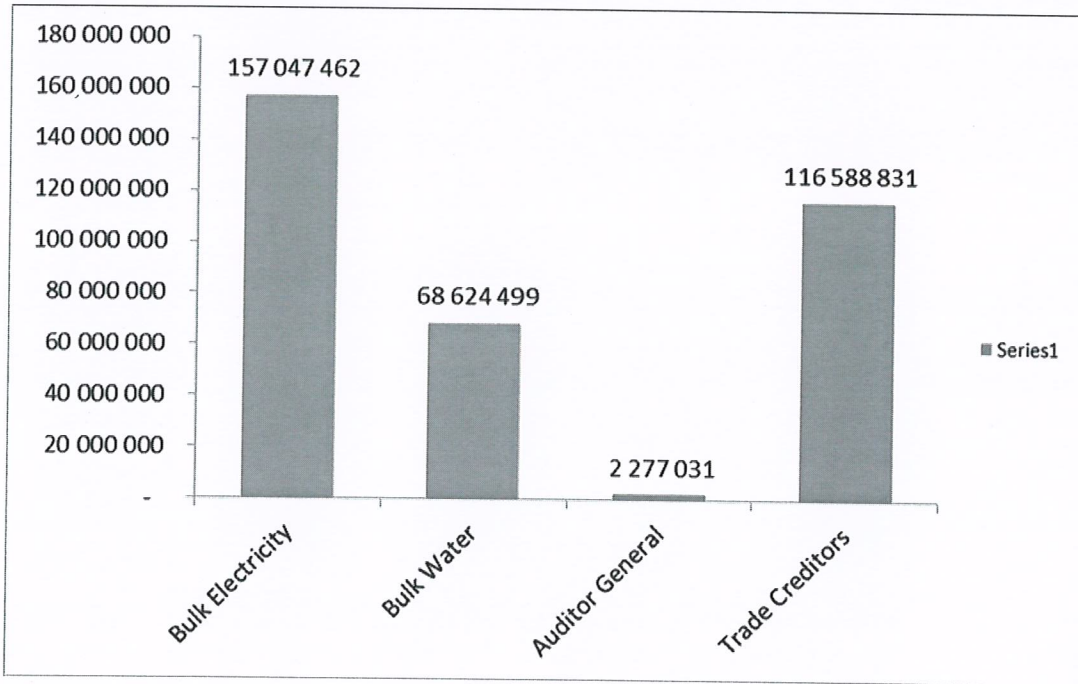
**Debtors by Customer group – 30 June 2016**



Debtors’ book has increased by R11.8 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.



Outstanding creditor's has decreased by R45.8 million compared to the previous months



## Investment Portfolio (Annexure F)

The table indicates the status of the investment portfolio and detail of where invested, which amounts to **R41, 273,412** as at 30 June 2016.

Institution	Investments				
	Fixed	Call	Long Term	Collateral	Total
	R	R	R	R	R
ABSA		8,778,802			8,778,802
FNB			97,216		97,216
RMB					-
Investec		5,218,153			5,218,153
Nedcor				19,875,074	19,875,074
Sanlam (Policy)	7,304,167				7,304,167
	<b>7,304,167</b>	<b>13,996,955</b>	<b>97,216</b>	<b>19,875,074</b>	<b>41,273,412</b>

## **ANNEXURE G (BORROWINGS)**

The total amount outstanding on external loans at the end of June 2016 is R83, 420,087.50.

## **ANNEXURE I**

### **RATIOS**

### **FINANCIAL IMPLICATIONS**

The report covers the period from 1 July 2015 to 30 June 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 2,218 billion is less than what is projected of R 2,395 billion YTD budget (Pro-rata) and vary by R 176 million.

Year to date actual expenditure of R 2,555 billion is less than projected expenditure of R 2,715 billion YTD budget (Pro-rata) and vary by R 159.4 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) - June 2016

Current Year 2015/16

Description	Original Budget	Adjusted Budget	fourth quarter	YTD ACTUAL	YTD BUDGET	Variance	YTD %	Variance%
<b>Revenue By Source</b>								
Property rates	(300 023 220)	(340 813 130)	(67 952 782)	(332 861 815)	(340 813 130)	7 951 315	97.67	(2.33)
Service charges - electricity revenue	(753 498 900)	(731 683 864)	(147 557 158)	(661 688 509)	(731 683 864)	69 995 355	90.43	(9.57)
Service charges - water revenue	(496 628 070)	(479 636 156)	(110 420 581)	(444 587 243)	(479 636 156)	35 048 913	92.69	(7.31)
Service charges - sanitation revenue	(129 136 260)	(116 179 980)	(24 588 219)	(96 014 718)	(116 179 980)	20 165 262	82.64	(17.36)
Service charges - refuse revenue	(159 485 860)	(160 000 000)	(34 434 705)	(133 903 379)	(160 000 000)	26 096 621	83.69	(16.31)
Service charges - other	(17 500 000)	(5 000 000)	(410 768)	-	(5 000 000)	-	-	-
Rental of facilities and equipment	(5 592 930)	(5 578 490)	(1 121 891)	(5 202 333)	(5 578 490)	376 157	93.26	(6.74)
Interest earned - external investment	(2 108 000)	(2 108 000)	(29 640)	(513 132)	(2 108 000)	1 594 868	24.34	(75.66)
Interest earned - outstanding debtors	(79 384 730)	(119 384 730)	(34 757 308)	(131 512 304)	(119 384 730)	(12 127 574)	110.16	10.16
Fines	(3 031 130)	(2 516 130)	(655 578)	(2 007 513)	(2 516 130)	508 617	79.79	(20.21)
Licences and permits	(7 271 320)	(7 552 230)	(1 740 361)	(7 079 673)	(7 552 230)	472 557	93.74	(6.26)
Transfers recognised - operational	(350 594 730)	(350 502 080)	(86 850 354)	(316 203 246)	(350 502 080)	34 298 834	90.21	(9.79)
Internal Departmental Transfers	(24 561 400)	(26 295 811)	(6 689 115)	(26 276 591)	(26 295 811)	19 220	99.93	(0.07)
Other revenue	(109 760 560)	(105 306 366)	(22 065 829)	(96 025 558)	(105 306 366)	9 280 808	91.19	(8.81)
Gains on disposal of PPE	-	(466 000)	-	(466 000)	(466 000)	-	100.00	-
<b>Total Revenue</b>	<b>(2 438 577 110)</b>	<b>(2 453 022 967)</b>	<b>(539 274 290)</b>	<b>(2 254 342 014)</b>	<b>(2 453 022 967)</b>	<b>193 680 953</b>	<b>91.90</b>	<b>(7.90)</b>
<b>Expenditure By Type</b>								
Employee related costs	489 796 600	488 083 420	120 719 863	478 604 642	488 083 420	9 478 778	98.06	1.94
Remuneration of councillors	21 421 270	21 421 270	5 208 116	20 939 633	21 421 270	481 637	97.75	2.25
Contributions	378 022 590	412 022 590	93 380 648	373 522 590	412 022 590	38 500 000	90.66	9.34
Depreciation & asset impairment	463 943 670	450 000 000	-	346 202 197	450 000 000	103 797 803	76.93	23.07
Finance charges	10 934 050	11 098 980	2 362 873	10 598 773	11 098 980	500 207	95.49	4.51
Bulk purchases	747 356 860	747 356 860	184 664 616	737 598 213	747 356 860	9 758 647	98.69	1.31
Repairs & Maintenance	78 131 164	78 729 714	24 708 182	69 425 323	78 729 714	9 304 391	88.18	11.82
Contracted services	31 500 000	31 500 000	8 601 132	31 670 783	31 500 000	(170 783)	100.54	(0.54)
Collection Costs	8 000 000	12 045 000	4 106 992	12 548 564	12 045 000	(503 564)	104.18	(4.18)
Other expenditure	489 716 120	436 224 127	124 865 498	453 761 879	436 224 127	(17 537 752)	104.02	(4.02)
Departmental charges	24 552 310	26 295 811	6 689 671	26 376 484	26 295 811	(80 673)	100.31	(0.31)
Internal recoveries(amount charge o	-	-	(18 424)	(56 341)	-	56 341	-	-
<b>Total Expenditure</b>	<b>2 743 374 634</b>	<b>2 714 777 772</b>	<b>575 289 167</b>	<b>2 555 398 382</b>	<b>2 714 777 772</b>	<b>153 528 691</b>	<b>94.13</b>	<b>5.66</b>
<b>(Surplus)/Deficit</b>	<b>304 797 524</b>	<b>261 754 805</b>	<b>36 014 876</b>	<b>301 056 368</b>	<b>261 754 805</b>	<b>347 209 644</b>		
<b>TOTAL REVENUE</b>	<b>(2 438 577 110)</b>	<b>(2 453 022 967)</b>	<b>(539 274 290)</b>	<b>(2 254 342 014)</b>	<b>(2 453 022 967)</b>	<b>193 680 953</b>	<b>91.90</b>	<b>(7.90)</b>
<b>LESS REVENUE FOREGONE</b>	<b>58 348 970</b>	<b>89 574 975</b>	<b>6 450 599</b>	<b>36 579 690</b>	<b>58 348 970</b>	<b>21 769 280</b>	<b>62.69</b>	<b>37.31</b>
<b>Income forgone on assessment rate</b>	<b>29 954 820</b>	<b>61 180 825</b>	<b>876 145</b>	<b>25 632 723</b>	<b>29 954 820</b>	<b>4 322 097</b>	<b>41.90</b>	<b>14.43</b>
<b>Income forgone on other</b>	<b>28 394 150</b>	<b>28 394 150</b>	<b>5 574 454</b>	<b>10 946 967</b>	<b>28 394 150</b>			
<b>TOTAL INCOME</b>	<b>(2 380 228 140)</b>	<b>(2 363 447 992)</b>	<b>(532 823 691)</b>	<b>(2 217 762 324)</b>	<b>(2 394 673 997)</b>	<b>176 911 673</b>	<b>93.84</b>	<b>(7.39)</b>
<b>TOTAL EXPENDITURE</b>	<b>2 743 374 634</b>	<b>2 714 777 772</b>	<b>575 289 167</b>	<b>2 555 398 382</b>	<b>2 714 777 772</b>	<b>(159 379 390)</b>	<b>94.13</b>	<b>(5.87)</b>
<b>(Surplus)/ Deficit for the year</b>	<b>363 146 494</b>	<b>351 329 780</b>	<b>42 465 476</b>	<b>337 636 058</b>	<b>320 103 775</b>	<b>17 532 283</b>	<b>96.10</b>	<b>5.48</b>



ANNEXURE B  
CASH FLOW STATEMENT - JUNE 2016

<b>Cash Receipts by Source</b>	<b>April 2016</b>	<b>May 2016</b>	<b>June 2016</b>
Property rates	16 006 733	21 569 866	22 373 290
Service charges - electricity revenue	39 703 887	46 527 000	44 393 720
Service charges - water revenue	16 215 296	19 760 995	18 785 595
Service charges - sanitation revenue	4 470 555	5 144 085	4 672 624
Service charges - refuse revenue	3 533 834	4 456 215	4 317 481
Service charges - other	15 169 089	20 445 758	19 142 632
Rental of facilities and equipment	149 242	152 491	148 228
Interest earned - external investments	7 755	8 556	38 723
Interest earned - outstanding debtors	-	-	-
Fines	247 041	269 190	70 397
Licences and permits	437 071	616 324	584 701
Transfer receipts - operational grants	-	-	-
Other revenue	13 891 460	19 254 058	74 082 927
<b>Cash Receipts by Source</b>	<b>109 831 964</b>	<b>138 204 538</b>	<b>188 610 318</b>
Transfer receipts - capital grants	761 249	-	-
Proceeds on disposal of PPE	-	-	-
<b>Total Cash Receipts by Source</b>	<b>110 593 214</b>	<b>138 204 538</b>	<b>188 610 318</b>
Proceeds on disposal of PPE	-	-	-
Short term loan	-	-	-
Borrowing long term/ Refinancing	(147 659)	(140 518)	(4 888 724)
Increase (decrease) in consumer deposits	(123 799)	88 389	(6 654)
Decrease (increase) in non - current debtors	2 028	2 035	2 042
Decrease (increase) in non - current	-	-	-
Decrease (increase) in non- current investment	-	-	-
<b>Total Cash Receipts by Source</b>	<b>110 323 784</b>	<b>138 154 444</b>	<b>183 716 982</b>
<b>Cash Payments by Type</b>			
Employee related costs	40 473 885	39 770 897	40 475 081
Remuneration of councillors	1 736 039	1 736 038	1 736 038
Collection costs	967 039	692 145	944 034
Interest paid	243 754	250 894	2 056 293
Bulk purchases - Electricity	38 752 426	42 105 263	49 122 807
Bulk purchases - Water	15 396 978	23 463 665	18 494 270
Repairs and maintainance	1 742 125	2 077 851	11 224 864
Contracted services	590 269	1 704 551	4 260 046
General expenses	13 254 503	34 248 534	8 360 210
<b>Cash Payments by Type</b>	<b>113 157 018</b>	<b>146 049 838</b>	<b>136 673 643</b>
<b>Other Cash Flows/Payments by Type</b>			
Capital assets	11 876 481	4 791 488	37 843 830
Repayment of borrowing	391 412	391 412	54 492 919
<b>Other Cash Flows/Payments</b>	<b>12 267 893</b>	<b>5 182 900</b>	<b>92 336 749</b>
Investment	-	-	-
<b>Total Cash Payments by Type</b>	<b>125 424 911</b>	<b>151 232 738</b>	<b>229 010 392</b>
<b>Net increase/(decrease) in cash held</b>	<b>(15 101 127)</b>	<b>(13 078 294)</b>	<b>(45 293 410)</b>
<b>Cash/ cash equivalent at the month begin</b>	<b>104 548 674</b>	<b>89 447 547</b>	<b>76 369 253</b>
<b>Cash/ cash equivalent at the month end</b>	<b>89 447 547</b>	<b>76 369 253</b>	<b>31 075 843</b>



**GRANTS AND SUBSIDIES - JUNE 2016**  
**Operational allocation/grant received**

	<b>BUDGET</b>	<b>ADJUSTED</b>	<b>4th Quarter 2014</b>	<b>YTD RECEIVED</b>	<b>YTD%</b>
Equitable shares grants	339 737 080	339 737 080	-	339 737 080	100.00
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	1 000 000	-	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	-	3 028 000	100.00
Museum Grant	0	100 000	-	100 000	100.00
	<b>350 594 730</b>	<b>350 694 730</b>	<b>-</b>	<b>350 694 730</b>	<b>100.00</b>

**CAPITAL GRANT RECEIVED**

MIG	80 268 351	58 390 271	-	80 268 351	100.00
NDPG	25 000 000	26 987 000	-	26 987 000	100.00
DME/INER	5 000 000	5 000 000	-	5 000 000	100.00
FIRE GRANT	-	2 200 000	761 249	2 200 000	100.00
	<b>110 268 351</b>	<b>92 577 271</b>	<b>761 249</b>	<b>114 455 351</b>	<b>103.80</b>

OPERATING INCOME PER DEPARTMENT - JUNE 2016

DESCRIPTION	BUDGET	ADJUSTED	4th Quarter	YTD ACTUAL	YTD BUDGET	VARIANCE	VARIANC	YTD %
Public safety	79 976 360	77 101 246	17 026 314	68 922 118	77 101 246	(8 179 128)	-10.61	89.39
Health service	300 000	200 000	18 051	43 509	200 000	(156 491)	-	21.75
Community services	223 946 840	225 169 353	35 806 388	139 969 025	225 169 353	(85 200 328)	-37.84	62.16
Sports	1 801 600	2 545 421	368 392	1 177 876	2 545 421	(1 367 545)	-53.73	46.27
Housing	1 859 910	1 899 130	281 501	1 210 258	1 899 130	(688 872)	-36.27	63.73
Council general	4 652 000	5 556 000	780 381	41 770 698	5 556 000	36 214 698	651.81	751.81
Civil Engineering	779 276 620	741 789 591	132 954 234	500 859 341	741 789 591	(240 930 250)	-32.48	67.52
Electrical engineering	817 337 220	793 707 766	153 114 397	685 093 775	793 707 766	(108 613 991)	-13.68	86.32
Corporate services	493 430	351 770	182 276	886 431	351 770	534 661	151.99	251.99
Finance	448 883 570	496 607 125	188 191 843	760 293 854	496 607 125	263 686 729	53.10	153.10
Market	21 695 300	18 515 300	4 099 414	17 519 426	18 515 300	(995 874)	-5.38	94.62
LED	5 290	5 290	500	675	5 290	(4 615)	-	12.76
<b>TOTAL</b>	<b>2 380 228 140</b>	<b>2 363 447 992</b>	<b>532 823 690</b>	<b>2 217 762 323</b>	<b>2 394 673 997</b>	<b>(176 911 674)</b>	<b>-7.39</b>	<b>93.84</b>

OPERATING EXPENDITURE PER DEPARTMENT

DESCRIPTION	BUDGET	ADJUSTED	4th Quarter	YTD ACTUAL	YTD BUDGET	VARIANCE	VARIANC	YTD %
Public safety	170 416 254	170 730 929	48 126 065	165 587 175	170 730 929	(5 143 754)	-3.01	96.99
Health service	5 273 966	5 211 828	1 169 242	4 654 324	5 211 828	(557 504)	-10.70	89.30
Community services	181 127 948	155 238 323	41 751 436	138 540 256	155 238 323	(16 698 067)	-10.76	89.24
Sports	97 420 152	100 287 239	11 631 026	83 502 621	100 287 239	(16 784 618)	-16.74	83.26
Housing	10 671 256	10 355 324	2 038 267	9 131 140	10 355 324	(1 224 184)	-11.82	88.18
Council general	104 741 762	121 946 740	37 429 191	109 172 425	121 946 740	(12 774 315)	-10.48	89.52
Civil Engineering	892 812 689	825 036 842	101 800 164	615 584 756	825 036 842	(209 452 086)	-25.39	74.61
Electrical engineering	698 460 898	693 769 191	159 135 567	676 359 106	693 769 191	(17 410 085)	-2.51	97.49
Corporate services	49 552 170	52 804 846	13 065 497	49 457 133	52 804 846	(3 347 713)	-6.34	93.66
Finance	503 875 372	551 330 262	154 000 497	679 393 189	551 330 262	128 062 927	23.23	123.23
Market	21 473 717	20 596 209	3 543 872	18 059 798	20 596 209	(2 536 411)	-12.31	87.69
LED	7 548 450	7 470 039	1 598 342	5 956 459	7 470 039	(1 513 580)	-20.26	79.74
<b>TOTAL</b>	<b>2 743 374 634</b>	<b>2 714 777 772</b>	<b>575 289 166</b>	<b>2 555 398 382</b>	<b>2 714 777 772</b>	<b>(159 379 390)</b>	<b>-5.87</b>	<b>94.13</b>

## ANNEXURE C CAPITAL EXPENDITURE - JUNE 2016

## NW403 City Of Matlosana - Budgeted Capital Expenditure

R thousand	Original Budget	Adjusted Budget	4th Quarter	YTD Actual	YTD Budget	Variance	YTD %
<b>Capital Expenditure</b>							
<i>Council General</i>	<b>8 000 000</b>	<b>6 500 000</b>	463094	4 456 700	6 500 000	(2 043 300)	69
Council General Admin	8 000 000	6 500 000	463094	4 456 700	6 500 000	(2 043 300)	69
<i>Municipal &amp; Environmental Services</i>	-	<b>3 445 227</b>	<b>3507732</b>	<b>5 017 917</b>	<b>3 445 227</b>	<b>1 572 690</b>	-
Community and social services	-	-	0	-	-	-	-
Sport and recreation	-	-	2390387	3 204 499	-	3 204 499	-
Refuse removal	-	-	0	-	-	-	-
Public Safety	-	2 200 000	551356	1 813 418	2 200 000	(386 582)	-
Public Safety (fire engine)	-	645 227	565989	-	645 227	(645 227)	-
Health	-	-	0	-	-	-	-
Cemetery	-	-	0	-	-	-	-
Library (Vehicle)	-	600 000	0	-	-	-	-
Finance	2 000 000	3 500 000	1 742 234	14 339	3 500 000	(3 485 661)	0
ICT Hard/software	2 000 000	3 500 000	1 742 234	14 339	3 500 000	(3 485 661)	0
<i>Macro city planning &amp; Development</i>	-	-	0	-	-	-	-
Planning and development	-	-	0	-	-	-	-
Market	-	-	0	-	-	-	-
<i>Civil Services &amp; Human Settlement</i>	<b>100 268 348</b>	<b>100 577 348</b>	<b>45 926 891</b>	<b>89 825 116</b>	<b>100 577 348</b>	<b>(10 752 232)</b>	<b>89</b>
Water	25 464 399	25 464 399	7153971	23 398 309	25 464 399	(2 066 090)	92
Waste water management(Sewer)	24 863 329	24 863 329	12743121	23 120 941	24 863 329	(1 742 388)	93
Roads	49 940 620	50 249 620	26029799	41 694 588	50 249 620	(8 555 032)	83
Housing	-	-	0	-	-	-	-
PMU Unit	-	-	0	-	-	-	-
Dumping side	-	-	0	1 611 278	-	1 611 278	-
<i>Electrical &amp; Mechanical Engineering</i>	<b>10 000 000</b>	<b>10 393 000</b>	<b>3 870 352</b>	<b>1 600 000</b>	<b>10 393 000</b>	<b>(8 793 000)</b>	<b>15</b>
Electrical	10 000 000	10 393 000	3 870 352	1 600 000	10 393 000	(8 793 000)	-
<b>Total Capital Expenditure</b>	<b>120 268 348</b>	<b>124 415 575</b>	<b>55 510 303</b>	<b>106 994 323</b>	<b>124 415 575</b>	<b>(17 421 254)</b>	<b>86</b>
<b>CAPITAL FUNDING</b>							
National government	110 268 348	113 770 348	52 738 985	96 314 103	113 770 348	(17 456 245)	85
Provincial government	-	-	-	-	-	-	-
District municipality	-	-	-	-	-	-	-
Borrowing	-	-	-	-	-	-	-
Internal Generated funds	10 000 000	10 645 227	2 771 316	10 680 219	10 645 227	34 992	100
<b>Financing Total</b>	<b>120 268 348</b>	<b>124 415 575</b>	<b>55 510 301</b>	<b>106 994 321</b>	<b>124 415 575</b>	<b>(17 421 254)</b>	<b>86</b>



ANNEXURE D  
DEBTOR'S AGE ANALYSIS - JUNE 2016

Detail	0 - 30 Days	31 - 60 Days	61 - 90 Days	91 +120 Days	Total-
Debtors Age Analysis By Income Source					
Water Tariffs	37 084 191	31 252 552	19 193 698	476 080 356	563 610 797
Electricity Tariffs	41 706 419	8 876 631	5 844 205	145 207 131	201 634 386
Rates (Property Rates)	17 471 479	5 246 287	3 712 169	110 767 469	137 197 404
Sewerage/ Sanitation	7 436 391	3 933 176	3 360 477	93 533 593	108 263 637
Refuse Removal Tariffs	10 207 809	6 615 339	5 739 739	150 087 064	172 649 951
Other	30 150 094	20 603 034	17 484 537	560 789 074	629 026 739
<b>Total By Income Source</b>	<b>144 056 383</b>	<b>76 527 019</b>	<b>55 334 825</b>	<b>1 536 464 687</b>	<b>1 812 382 914</b>
Debtors Age Analysis By Customer Group					
Government					
Business	4 227 469	1 582 442	1 004 123	29 359 280	36 173 314
Households	37 985 923	10 486 075	7 362 264	176 763 281	232 597 543
Other	101 225 500	63 951 714	46 479 370	1 291 321 665	1 502 978 249
Other	617 491	506 788	489 068	39 020 461	40 633 808
<b>Total By Customer Group</b>	<b>144 056 383</b>	<b>76 527 019</b>	<b>55 334 825</b>	<b>1 536 464 687</b>	<b>1 812 382 914</b>

**ANNEXURE E  
OUTSTANDING CREDITORS STATEMENT -JUNE 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	83 595 974	-	43 612 866	29 838 622	-	157 047 462
Bulk Water	20 978 369	47 331 115	109 726	205 289	-	68 624 499
Auditor General	30 074	49 061	20 698	34 241	2 142 957	2 277 031
Trade Creditors	19 240 271	14 200 436	12 904 518	70 243 606	-	116 588 831
<b>Total</b>	<b>123 844 688</b>	<b>61 580 612</b>	<b>56 647 808</b>	<b>100 321 758</b>	<b>2 142 957</b>	<b>344 537 823</b>

ANNEXURE F

Investment Portfolio: 30 June 2016  
City of Matlosana

INSTITUTION	INTEREST RATE	PERIOD	MAY 2016	JUNE 2016	MATURITY DATE	EXPLANATION
<b>Call Investment</b>						
ABSA: 3854	3.30%		423 161	424 509		
ABSA: 5047	3.25%		43 614	43 788		
ABSA: 6177	4.47%		25 407 185	165 330		
ABSA: 2264	3.25%		5 560 535	5 582 731		
ABSA: 4682	5.15%		17 296 826	1 749 359		
ABSA: 4063	2.80%		169 423	169 646		
ABSA: 1223	5.50%		4 582 036	643 442		
INVESTEC	5.80%		5 189 150	5 218 153		
<b>TOTAL Call Investment</b>			<b>58 671 931</b>	<b>13 996 959</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	19 875 074	30/06/2019	Security
<b>TOTAL</b>			<b>25 796 965</b>	<b>27 179 241</b>		
<b>Long Term Investment</b>						
FNB	10.00%	1 YEAR	83 216	83 216		
FNB	9.50%	1 YEAR	14 000	14 000		Housing Collateral
<b>TOTAL</b>			<b>97 216</b>	<b>97 216</b>		Housing Collateral
<b>TOTAL INVESTMENTS</b>			<b>84 566 112</b>	<b>41 273 416</b>		

Withdraw R2 928 983 from ABSA call - 01 June 2016  
 Withdraw R7 248 221 from ABSA call - 02 June 2016 (MIG current allocation)  
 Withdraw R10 000 000 from ABSA call - 07 June 2016 (MIG current allocation)  
 Invest R10 000 000 with ABSA on call - 09 June 2016 (MIG current allocation)  
 Withdraw R3 439 064 from ABSA call - 14 June 2016  
 Withdraw R1 368 263 from ABSA call - 15 June 2016  
 Withdraw R1 832 946 from ABSA call - 20 June 2016 (MIG current allocation)  
 Withdraw R2 470 736 from ABSA call - 24 June 2016  
 Withdraw R10 000 000 from ABSA call - 24 June 2016 (MIG current allocation)  
 Withdraw R5 643 835 from ABSA call - 29 June 2016  
 Withdraw R3 855 000 from ABSA call - 30 June 2016 (MIG current allocation)  
 Withdraw R2 265 013 from ABSA call - 30 June 2016

Other changes are due to year end and Capitalisation of interest earned for the month

**NB:** Council to take cognisance that the investments reflected are not as a result of excess funds but grants received for the financial year invested on short term to gain interest while processes on meeting conditions of the grants are unfolding, and to avoid charges once funds are kept on current account

These investments can only be withdrawn when funds are needed for the particular reason they were invested for



Annexure 9 As AT 30 June 2016

Borrowing Reference No	Start Date	End Date	Borrowing Period Years	Original Loan	Lender	Purpose	% Interest Rate (2 dec) Per Annum	Interest Paid This quarter	Opening Balance 01/07/2015	Debt Repaid or Re-deemed	Additional Principal Accrued	Balances at 30/06/2016	Redemption 2015/16
ANNUITY LOANS													
NW110659	1/10/1987	30/06/2017	20	7436371	Development Bank of SA	Provision of Infrastructure	15	331 807.04	2 414 304.32	862 053.24	0.00	1 552 251.28	897 051.71
NW111182	1/10/1994	30/06/2018	20	7436464	Development Bank of SA	Provision of Infrastructure	15.25	473 266.52	3 280 737.23	771 724.15	0.00	2 509 013.08	895 125.50
NW13837	1/10/2000	30/06/2020	20	3851800	Development Bank of SA	Provision of Infrastructure	15.6	367 088.03	2 450 048.21	304 831.95	0.00	2 115 217.26	352 211.94
NW1387471	1/10/2001	30/06/2019	18	10000000	Development Bank of SA	Combination	14.75	195 639.31	2 252 222.20	555 555.55	0.00	1 696 666.65	555 555.54
NW138742	1/7/2001	30/06/2019	18	14696125	Development Bank of SA	Combination	14.75	1 411 441.91	14 988 125.00	0.00	0.00	14 988 125.00	
NW1012971	1/7/2004	30/06/2019	15	28670000	Development Bank of SA	Combination	11.2	1 313 411.07	12 320 888.14	2 594 970.56	0.00	9 725 705.58	2 895 350.06
NW1012972	1/7/2004	30/06/2019	15	37000000	Development Bank of SA	Combination	11.2	1 643 490.38	15 417 055.20	3 247 138.66	0.00	12 169 917.63	3 627 963.83
NW1058771	1/1/2010	1/1/2025	15	36268878	Development Bank of SA	Provision of Infrastructure	14.75	3 026 205.19	20 316 386.34	1 070 753.70	0.00	27 545 642.54	1 864 466.39
10556	31/3/1990	31/3/2018	20	15366746	Development Bank of SA	Provision of Infrastructure	15.25	666 586.43	4 759 895.36	1 362 637.13	0.00	3 397 258.23	1 579 363.75
10912	30/09/1990	30/09/2019	20	5837000	Development Bank of SA	Provision of Infrastructure	15.25	372 363.06	2 538 395.92	428 231.38		2 110 164.24	487 000.70
10913	30/09/1990	30/09/2019	20	7477000	Development Bank of SA	Provision of Infrastructure	15.25	591 497.69	3 759 207.41	634 191.77		3 125 015.64	726 036.24
9746	30/09/1995	30/09/2015	20	5780000	Development Bank of SA	Provision of Infrastructure	15.25	424 456.50	2 893 248.83	488 101.46		2 405 147.37	596 485.37
				3194346			10	9 493.26	189 346.44	189 346.44	0.00	83 820 887.50	14 591 640.32
TOTAL ANNUITIES													
								10 786 836.99	96 529 632.49	13 109 544.99	0.00	83 820 887.50	14 591 640.32

# Template for Calculation of Uniform Financial Ratios and Norms

RATIO	FORMULA	Jun-16	MUNICIPAL COMMENTS (#)
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## 1. FINANCIAL POSITION

### A. Asset Management/Utilisation

1 Capital Expenditure to Total Expenditure	Total Capital Expenditure / Total Expenditure (Total Operating expenditure + Capital expenditure) x 100	52%	The ratio is decreasing. Indicated an slowdown in capital expenditure compaire to operational expenditure.
		2 555 398 382	
		106 994 323	
		2 662 392 705	

### B. Debtors Management

1 Collection Rate	(Gross Debtors Closing Balance + Billed Revenue - Gross Debtors Opening Balance - Bad Debts Written Off)/Billed Revenue x 100	0.90	
		1 723 093 462	
		1 711 815 066	
		0	
		118 452 024	High collection rate due inclusion

### C. Liquidity Management

1 Current Ratio	Current Assets / Current Liabilities	0.016	
		9 765 239	
		623 625 600	Have increase sligtky from the pre

### 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	0.004	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.
		10 598 773	
		2 555 398 382	

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	0.044	Also as per above.
		83 420 088	
		2 217 762 324	
		328 716 650	

## 2. FINANCIAL PERFORMANCE

1 Net Operating Surplus Margin	(Total Operating Revenue - Total Operating Expenditure)/Total Operating Revenue	<div style="background-color: #cccccc; display: inline-block; width: 100px; height: 15px; margin-bottom: 5px;"></div> -0.152 2 217 762 324	<p>The restated assets register and the accompanying higher depreciation have a significant impact on financial performance of the municipality.</p>
		2 555 398 382	

**D. Expenditure Management**

1 Creditors Payment Period (Trade Creditors)	Trade Creditors Outstanding / Credit Purchases (Operating and Capital) x 365	<div style="background-color: #cccccc; display: inline-block; width: 100px; height: 15px; margin-bottom: 5px;"></div> 47.23 344 537 823 2 662 392 705	Improvement, but still way behind acceptable.
2 Remuneration as % of Total Operating Expenditure	Remuneration (Employee Related Costs and Councillors' Remuneration) /Total Operating Expenditure x100	<div style="background-color: #cccccc; display: inline-block; width: 100px; height: 15px; margin-bottom: 5px;"></div> 0.20 499 544 275 2 555 398 382	Well below NT norm
2 Contracted Services % of Total Operating Expenditure	Contracted Services / Total Operating Expenditure x100	0.012 31 670 783 2 555 398 382	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	0.100 10 680 219 106 994 323	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 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	0.85 2 217 762 324 328 716 650 0	Improvement reflects less reliance on grants as well as the adjustment in tariffs to the norm.

**3. BUDGET IMPLEMENTATION**

1 Capital Expenditure Budget Implementation Indicator	Actual capital Expenditure / Budget Capital Expenditure x 100	<div style="background-color: #cccccc; display: inline-block; width: 100px; height: 15px; margin-bottom: 5px;"></div> 0.85 106 994 323 124 415 575	Should be at 88%
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2 Operating Expenditure Budget Implementation Indicator	Actual Operating Expenditure / Budgeted Operating Expenditure x 100	<b>0.94</b>	Should be atleast 92%
		2 555 398 382	
		2 714 777 772	

3 Operating Revenue Budget Implementation Indicator	Actual Operating Revenue / Budget Operating Revenue x 100	<b>0.93</b>	Should be atleast 92%
		2 217 762 324	
		2 394 673 997	