

QUARTERLY REPORT: JULY - SEPTEMBER 2016

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

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

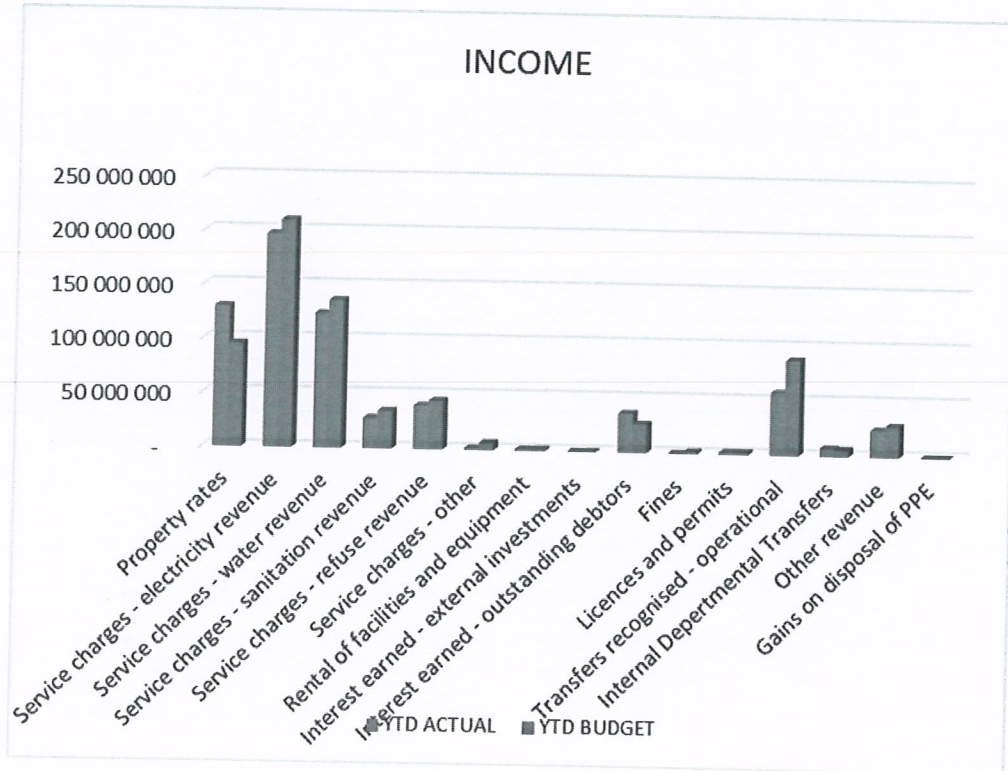
Statement of Financial Performance (SFP)

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.

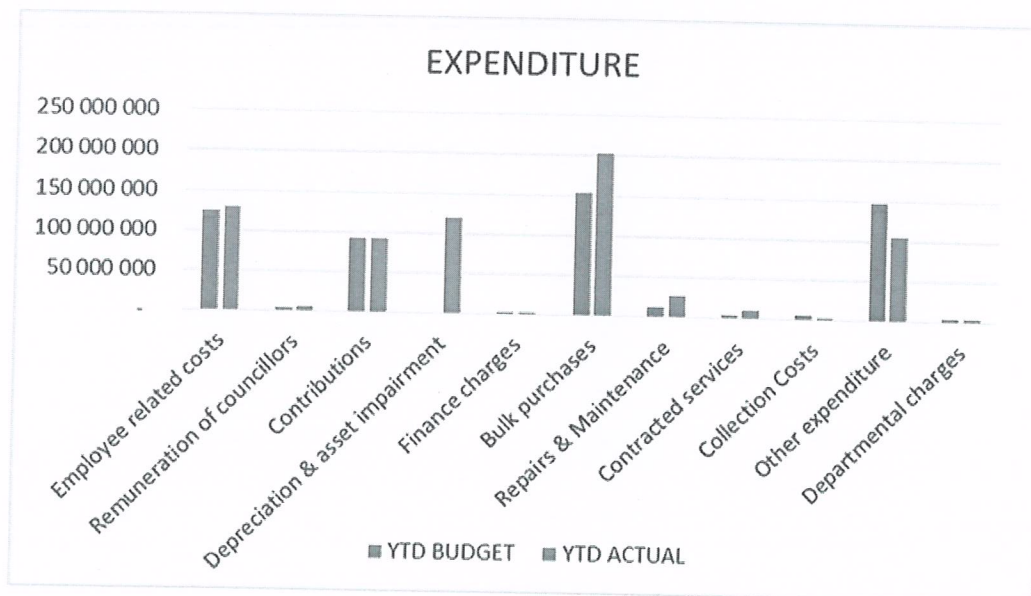
The summary report indicates the following:

Summary statement of Financial Performance				
Description	YTD Budget	1st Quarter 2016	YTD Actual	Variance (Favourable) Unfavourable
Total Revenue By Source	(628,543,365)	(615,746,026)	(615,746,026)	(12,797,339)
Total Operating Expenditure	650,320,477	521,073,143	521,075,143	129,245,334
(SURPLUS)/ DEFICIT	21,777,113	(94,670,882)	(94,670,882)	120,119,662

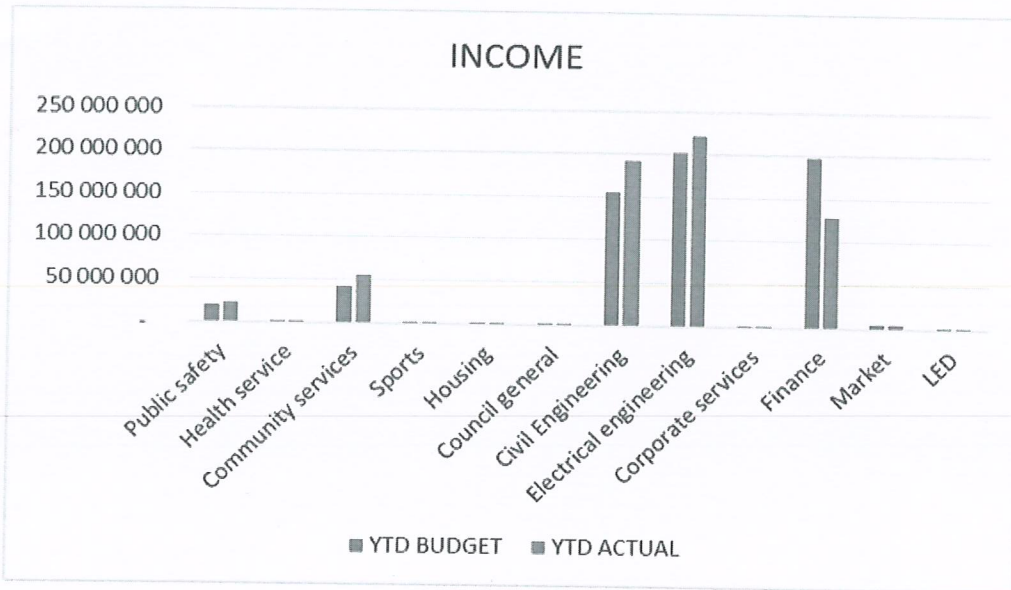
YTD Actual Income vs YTD Budget Income



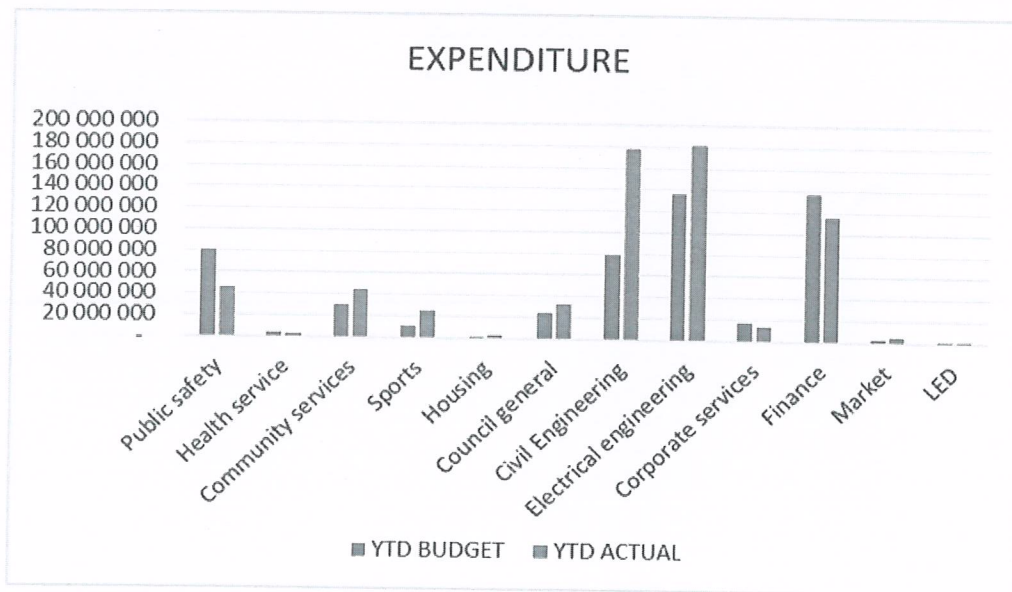
YTD Actual Expenditure vs YTD Budget Expenditure



Operating Income per department



Operating Expenditure per department



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

DESCRIPTION	BUDGET 2016/17	1st QUARTER RECEIVED 2016/17	YTD ACTUAL RECEIVED	YTD%
Equitable shares grants	342,855,000	142,856,000	142,856,000	41.67%
Finance Management grant	1,810,000	1,810,000	1,810,000	100%
Improvement of Library services	1,100,000	400,000	400,000	36.36
Museum/ Grant research and development	250,000	0	0	0
PMU	3,598,100	0	0	0
EPWP	1,658,000	414,000	414,000	24.97%
TOTAL	351,271,100	145,480,000	145,480,000	41.42%

CAPITAL GRANT RECEIVED

DESCRIPTION	BUDGET	1st QUARTER RECEIVED 2016/17	YTD ACTUAL RECEIVED	YTD%
MIG	79,193,900	4,808,000	4,808,000	6.07%
NDPG	26,052,000	18,074,000	18,074,000	69.38%
INEP	16,800,000	0	0	0
PMU	570,000	0	0	0
PIG -SEWER	12,000,000	0	0	0
TOTAL	134,615,900	22,882,000	22,882,000	17%

Cash Flow Statement (Annexure B)

- Total cash receipts by source reflect an amount of R 130,3 million for the month of September 2016 includes the following grants:
Improvement of Library Grants of R 400,000.
- Total cash payments indicate an amount of R 174, 5 million for the month of September 2016.

Capital expenditure report (Annexure C)

The summary report indicates the following:

Summary statement of Capital Expenditure				
Description	YTD Budget	1 st Quarter 2016/17	YTD Actual	Variance Favourable (Unfav)
Total Capital Expenditure	36,153,975	12,435,473	12,435,474	(23,718,502)
Capital funding				
National government	33,828,975	12,225,891	12,225,891	(21,603,084)
Provincial Government				
District Municipality				
Borrowing				
Internal Generated fund	2,325,000	209,583	209,583	(2,115,417)
Financial Total	36,153,975	12,435,474	12,435,474	(23,718,502)

- The spending on capital for the first quarter ended on September 2016 is R 12,435,474.
- 9.25% capital spending is low than 25% pro-rata.

MIG Spending

BUDGET	RECEIVED	SPENDING YTD	BALANCE	%SPENDING
79,193,900	4,808,000	7,328,279	71,865,621	9.25%

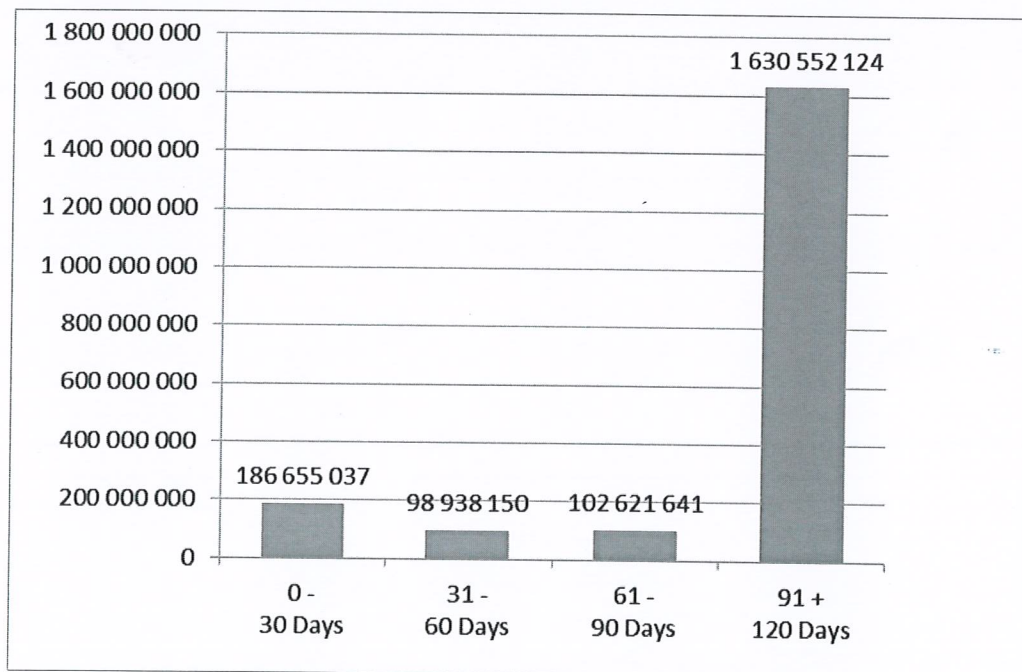
- The spending on MIG new capital for 1st Quarter 2016 is R7, 328,279 and the Year to date actual is R7, 328, 279.
- The spending on NDPG capital for 1st Quarter 2016 is R4, 897,611 and the Year to date actual is R4, 897,611.
- The Council funded capital expenditure for 1st Quarter 2016 is R209, 584 and the year to date actual is R209, 584.

Outstanding Debtors report (Annexure D)

This graph provides an extended aged analysis, as well as debtor's type. The summary report indicates that the debtor's greater than 30 days (31-90+days) balance as at 30 September 2016 amounts to R 1.832 billion.

A detailed Age Analysis is on annexure D.

Debtors by Customer group – 30 September 2016

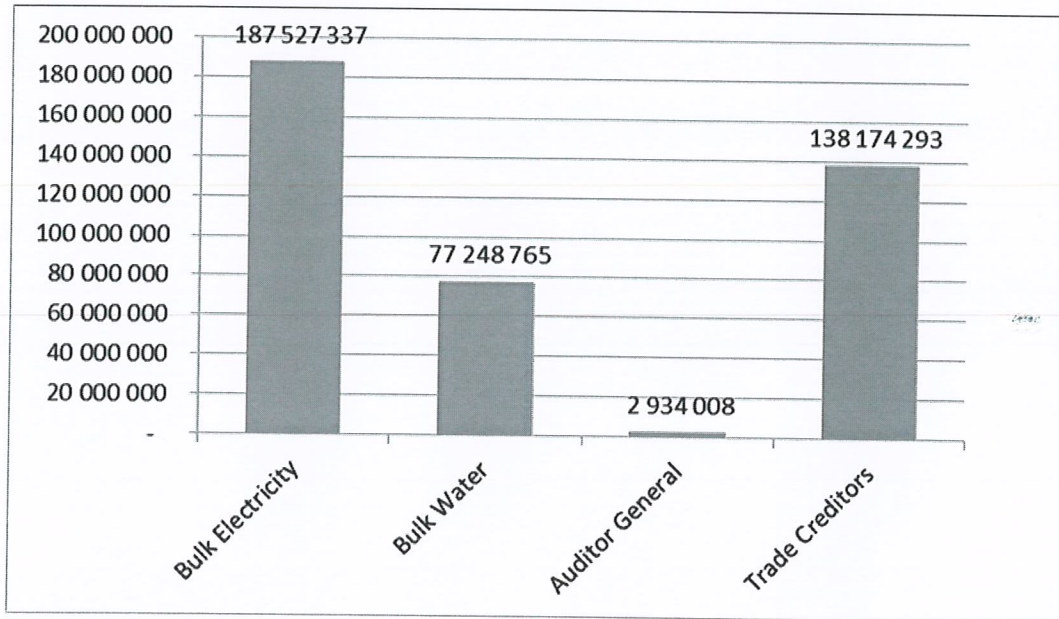


Debtors' book has increased by R42.9 million as compared to the previous month.

The debtors book is escalating with approximately R40 million on a monthly basis.

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 increased by R 58.3 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 **R 87,667,218** as at 30 September 2016.

Institution	Investments				
	Fixed	Call	Long Term	Collateral	Total
	R	R	R	R	R
ABSA		54,567,381			54,567,381
FNB			99,413		99,413
RMB					-
Investec		5,308,102			5,308,102
Nedcor				19,875,074	19,875,074
Sanlam (Policy)	7,817,248				7,817,248
	7,817,248	59,875,483	99,413	19,875,074	87,667,218

ANNEXURE G (BORROWINGS)

The total amount outstanding on external loans at the end of September 2016 R80,272,226.59.

ANNEXURE I

RATIOS

FINANCIAL IMPLICATIONS

The report covers the period from 1 July 2016 to 30 September 2016. The actual income and expenditure that appears in "Annexure A" reflects details that relates to the actual expenditure, and actual revenue for the month of September and year to date. Year to date actual revenue of R 615,7 million is less than what is projected of R 628.5 million YTD budget (Pro-rata) and vary by R 12.8 million.

Year to date actual expenditure of R 521 million is less than projected expenditure of R 650,3 million YTD budget (Pro-rata) and vary by R 129,2 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) - September 2016

Current Year 2016/17

Description	Original Budget	JULY 2016/17	August 2016/17	Sept 2016/17	first quarter	YTD ACTUAL	YTD BUDGET	Variance	YTD %	Variance%
Revenue By Source										
Property rates	(381 412 939)	(78 771 413)	(25 353 787)	(25 615 651)	(129 740 851)	(129 740 851)	-95 353 235	(34 387 616)	34.02	36.06
Service charges - electricity revenue	(839 692 210)	(62 419 842)	(67 787 346)	(66 805 880)	(197 013 068)	(197 013 068)	-209 923 053	12 909 984	23.46	(6.15)
Service charges - water revenue	(545 280 756)	(41 028 982)	(42 248 341)	(40 796 552)	(124 073 875)	(124 073 875)	-136 320 189	12 246 314	22.75	(8.98)
Service charges - sanitation revenue	(139 240 341)	(8 763 285)	(10 545 312)	(8 768 807)	(28 077 404)	(28 077 404)	-34 810 085	6 732 681	20.16	(19.34)
Service charges - refuse revenue	(179 029 257)	(12 013 357)	(16 610 811)	(11 484 472)	(40 108 639)	(40 108 639)	-44 757 314	4 648 675	22.40	(10.39)
Service charges - other	(26 600 000)	(73 846)	(623 308)	(913 193)	(1 610 347)	(1 610 347)	-6 650 000	5 039 653	6.05	-
Rental of facilities and equipment	(6 614 948)	(326 189)	(356 154)	(617 262)	(1 299 605)	(1 299 605)	-1 653 737	354 132	19.65	(21.41)
Interest earned - external investments	(2 108 000)	(29 000)	(454)	-	(29 454)	(29 454)	-527 000	497 546	1.40	(94.41)
Interest earned - outstanding debtors	(106 207 762)	(12 230 251)	(11 086 925)	(12 917 728)	(36 234 904)	(36 234 904)	-26 551 941	(9 682 963)	34.12	36.47
Fines	(7 101 983)	(55 735)	(171 277)	(123 624)	(350 636)	(350 636)	-1 775 496	1 424 860	4.94	(80.25)
Licences and permits	(7 707 601)	(751 406)	(572 054)	(697 579)	(2 021 039)	(2 021 039)	-1 926 900	(94 139)	26.22	4.89
Transfers recognised - operational	(351 271 100)	-	(28 793 704)	(29 086 686)	(57 880 390)	(57 880 390)	-87 817 775	29 937 385	16.48	(34.09)
Internal Departmental Transfers	(25 112 023)	(2 519 902)	(2 538 452)	(2 506 622)	(7 564 976)	(7 564 976)	-6 278 006	(1 286 970)	30.12	20.50
Other revenue	(114 468 670)	(8 170 796)	(6 290 481)	(10 326 684)	(24 787 960)	(24 787 960)	-28 617 168	3 829 207	21.65	(13.38)
Gains on disposal of PPE	-	-	-	-	-	-	0	-	-	-
Total Revenue	(2 731 847 590)	(227 154 003)	(212 978 405)	(210 660 741)	(650 793 149)	(650 793 149)	(682 961 898)	32 168 749	23.82	(4.71)
Expenditure By Type										
Employee related costs	520 242 208	41 451 732	42 004 046	41 171 427	124 627 204	124 627 204	130 060 552	5 433 348	23.96	4.18
Remuneration of councillors	25 138 051	233 264	2 800 967	2 064 199	5 098 429	5 098 429	6 284 513	1 186 084	20.28	18.87
Contributions	372 022 590	30 626 883	30 626 883	30 626 883	91 880 648	91 880 648	93 005 648	1 125 000	24.70	1.21
Depreciation & asset impairment	476 888 007	-	-	-	-	-	1 119 222 002	119 222 002	-	100.00
Finance charges	14 180 861	247 947	246 774	1 978 601	2 473 322	2 473 322	3 545 215	1 071 893	17.44	30.23
Bulk purchases	811 802 286	-	73 266 303	79 755 155	153 021 458	153 021 458	202 950 572	49 929 113	18.85	24.60
Repairs & Maintenance	105 957 770	1 844 352	3 727 628	6 598 740	12 170 720	12 170 720	26 489 443	14 318 722	11.49	54.05
Contracted services	46 447 745	11 695	2 418 412	2 593 229	5 023 336	5 023 336	11 611 936	6 588 600	10.82	56.74
Collection Costs	8 480 000	122 517	5 576 411	564 746	6 263 674	6 263 674	2 120 000	(4 143 674)	73.86	(195.46)
Other expenditure	420 684 500	32 901 742	26 468 661	87 328 675	146 699 077	146 699 077	105 171 125	(41 527 952)	34.87	(39.49)
Departmental charges	17 112 023	2 591 093	2 601 638	-	5 192 731	5 192 731	4 278 006	(914 725)	30.35	(21.38)
Internal recoveries (amount charge out)	-	-	-	-	-	-	-	-	-	-
Total Expenditure	2 818 956 041	110 031 224	189 737 721	252 681 654	552 450 599	552 450 599	704 739 010	152 288 411	19.60	21.61
(Surplus)/Deficit	87 108 451	(117 122 779)	(23 240 684)	42 020 913	(98 342 549)	(98 342 549)	21 777 113	(120 119 662)		
TOTAL REVENUE	(2 731 847 590)	(227 154 003)	(212 978 405)	(210 660 741)	(650 793 149)	(650 793 149)	(682 961 898)	(32 168 749)	23.82	4.71
LESS REVENUE FOREGONE	217 674 132	27 609 115	3 530 753	3 907 255	35 047 123	35 047 123	54 418 533	19 371 410	16.10	35.60
Income forgone on assessment rate	64 190 148	27 609 115	3 445 179	3 504 070	34 558 364	34 558 364	16 047 537	(18 510 827)	53.84	(115.35)
Income forgone on other	153 483 984	-	85 574	403 185	488 759	488 759	38 370 996	37 882 237		
TOTAL INCOME	(2 514 173 458)	(199 544 888)	(209 447 652)	(206 753 486)	(615 746 026)	(615 746 026)	(628 543 365)	(12 797 339)	24.49	2.04
Total expenditure after deduct revenue	2 601 281 909	86 093 776	186 206 968	248 774 399	521 075 143	521 075 143	650 320 477	129 245 334	20.03	
TOTAL EXPENDITURE	2 818 956 041	110 031 224	189 737 721	252 681 654	552 450 599	552 450 599	704 739 010	152 288 411	19.60	21.61
(Surplus)/ Deficit for the year	87 108 451	(113 451 112)	(23 240 684)	42 020 913	(94 670 882)	(94 670 882)	21 777 113	(120 119 662)	(108.68)	

GRANTS AND SUBSIDIES - SEPTEMBER 2016

Operational allocation/grant received

	BUDGET	RECEIVED 1st Quarter	YTD RECEIVED	YTD%
Equitable shares grants	342 855 000	142 856 000	142 856 000	41.67
Finance Management Grant	1 810 000	1 810 000	1 810 000	100.00
Improvement of library services	1 100 000	400 000	400 000	36.36
Museum/Grant research and developme	250 000	-	-	-
PMU	3 598 100	-	-	-
EPWP (arbour week)	1 658 000	414 000	414 000	24.97
	351 271 100	145 480 000	145 480 000	41.42
CAPITAL GRANT RECEIVED				
MIG	79 193 900	4 808 000	4 808 000	6.07
NDPG	26 052 000	18 074 000	18 074 000	69.38
DME/INER	16 800 000	-	-	-
PIG-SEWER	12 000 000	-	-	-
PMU	570 000	-	-	-
	134 615 900	22 882 000	22 882 000	17.00

OPERATING INCOME PER DEPARTMENT AS AT 30 SEPTEMBER 2016

DESCRIPTION	BUDGET	1st QUARTER	YTD ACTUAL	YTD BUDGET	VARIANCE	VARIANCE	YTD %
Public safety	91 245 550	19 921 829	19 921 829	22 811 388	(2 889 558)	-12.67	21.83
Health service	318 000	8 086	8 086	79 500	(71 414)	-	2.54
Community services	218 260 846	41 709 899	41 709 899	54 565 212	(12 855 312)	-23.56	19.11
Sports	2 288 260	197 140	197 140	572 065	(374 925)	-65.54	8.62
Housing	2 166 080	287 160	287 160	541 520	(254 360)	-46.97	13.26
Council general	3 286 000	570 670	570 670	821 500	(250 830)	-30.53	17.37
Civil Engineering	770 137 955	154 710 769	154 710 769	192 534 489	(37 823 720)	-19.65	20.09
Electrical engineering	886 807 970	203 366 614	203 366 614	221 701 993	(18 335 378)	-8.27	22.93
Corporate services	4 523 042	22 900	22 900	1 130 761	(1 107 861)	-97.97	0.51
Finance	515 073 831	190 474 951	190 474 951	128 768 458	61 706 494	47.92	36.98
Market	20 060 343	4 475 807	4 475 807	5 015 086	(539 279)	-10.75	22.31
LED	5 581	200	200	1 395	(1 195)	-	3.58
TOTAL	2 514 173 458	615 746 026	615 746 026	628 543 365	(12 797 339)	-2.04	24.49

OPERATING EXPENDITURE PER DEPARTMENT

DESCRIPTION	BUDGET	1st QUARTER	YTD ACTUAL	YTD BUDGET	VARIANCE	VARIANCE	YTD %
Public safety	184 212 585	79 791 679	79 791 679	46 053 146	33 738 533	73.26	43.31
Health service	9 630 318	3 656 159	3 656 159	2 407 580	1 248 579	51.86	37.97
Community services	179 417 061	30 720 205	30 720 205	44 854 265	(14 134 060)	-31.51	17.12
Sports	99 807 013	10 963 345	10 963 345	24 951 753	(13 988 408)	-56.06	10.98
Housing	10 452 484	1 919 162	1 919 162	2 613 121	(693 959)	-26.56	18.36
Council general	130 134 637	24 383 197	24 383 197	32 533 659	(8 150 462)	-25.05	18.74
Civil Engineering	713 859 286	79 175 358	79 175 358	178 464 822	(99 289 464)	-55.64	11.09
Electrical engineering	724 562 975	135 791 426	135 791 426	181 140 744	(45 349 317)	-25.04	18.74
Corporate services	54 044 627	17 026 530	17 026 530	13 511 157	3 515 373	26.02	31.50
Finance	464 821 031	133 122 979	133 122 979	116 205 258	16 917 721	14.56	28.64
Market	22 701 386	3 132 412	3 132 412	5 675 347	(2 542 935)	-44.81	13.80
LED	7 638 506	1 392 691	1 392 691	1 909 627	(516 935)	-27.07	18.23
TOTAL	2 601 281 909	521 075 143	521 075 143	650 320 477	(129 245 334)	-19.87	20.03
Surplus/Deficit	(87 108 451)	94 670 883	94 670 883	(21 777 113)	116 447 996	18	4.5

ANNEXURE B

Cash Flow Statement for the month of September 2016

Cash Receipts by Source	July 2016	August 2016	September 2016
Property rates	16 418 598	19 395 132	17 875 077
Service charges - electricity revenue	37 445 640	48 589 540	47 177 390
Service charges - water revenue	15 394 361	17 182 863	17 006 916
Service charges - sanitation revenue	4 233 626	4 609 533	4 643 744
Service charges - refuse revenue	3 936 164	4 346 590	4 390 355
Service charges - other	16 372 258	19 855 293	20 160 884
Rental of facilities and equipment	80 966	114 427	329 670
Interest earned - external investments	35 945	454	10 836
Interest earned - outstanding debtors	-	-	-
Fines	59 555	181 176	123 062
Licences and permits	697 554	626 427	646 378
Transfer receipts - operational grants	142 856 000	2 224 000	400 000
Other revenue	18 310 685	19 096 541	20 417 202
Cash Receipts by Source	255 841 352	136 221 975	133 181 514
Transfer receipts - capital grants	4 808 000	18 074 000	-
Proceeds on disposal of PPE	-	-	-
Total Cash Receipts by Source	260 649 352	154 295 975	133 181 514
Proceeds on disposal of PPE	-	-	-
Short term loan	-	-	-
Borrowing long term/ Refinancing	(143 465)	(144 638)	(2 859 760)
Increase (decrease) in consumer deposits	122 625	34 579	52 038
Decrease (increase) in non - current debtors	-	(513 081)	-
Decrease (increase) in non - current	(1 382 276)	-	-
Decrease (increase) in non- current investment	2 044	2 056	2 063
Total Cash Receipts by Source	259 248 280	153 674 891	130 375 855
Cash Payments by Type			
Employee related costs	41 918 259	42 004 046	41 171 427
Remuneration of councillors	(233 264)	2 800 967	2 064 198
Collection costs	30 237	2 832 664	249 633
Interest paid	247 947	246 774	1 978 601
Bulk purchases - Electricity	-	53 508 772	63 157 895
Bulk purchases - Water	-	19 757 531	13 843 291
Repairs and maintenance	-	1 063 313	1 832 182
Contracted services	-	2 404 258	2 496 801
General expenses	119 705 409	44 097 945	35 520 833
Cash Payments by Type	161 668 588	168 716 270	162 314 861
Other Cash Flows/Payments by Type			
Capital assets	-	5 476 913	6 958 560
Repayment of borrowing	391 412	391 412	5 233 814
Other Cash Flows/Payments	391 412	5 868 325	12 192 374
Investment	-	-	-
Total Cash Payments by Type	162 060 000	174 584 595	174 507 235
Net increase/(decrease) in cash held	97 188 280	(20 909 704)	(44 131 380)
Cash/ cash equivalent at the month begin	31 075 842	128 264 122	107 354 418
Cash/ cash equivalent at the month end	128 264 122	107 354 418	63 223 038

ANNEXURE C CAPITAL EXPENDITURE

NW403 City Of Matlosana - Budgeted Capital Expenditure - SEPTEMBER 2016

	Original Budget	1st Quarter 2016/17	YTD Actual	YTD Budget	Variance	YTD %
Capital Expenditure						
Council General	4 300 000	209 583	209 583	1 075 000	(865 417)	-
Council General Admin	4 300 000	209 583	209 583	1 075 000	(865 417)	0
Municipal & Environmental Services	5 999 650	334 100	334 100	1 499 913	(1 165 813)	5.57
Community and social services	-	-	-	-	-	-
Sport and recreation	5 299 650	334 100	334 100	1 324 913	(990 813)	-
Refuse removal	-	-	-	-	-	-
Public Safety	-	-	-	-	-	-
Health	-	-	-	-	-	0
Cemetary	700 000	-	-	175 000	(175 000)	0
Finance	5 000 000	-	-	1 250 000	(1 250 000)	0
ICT Hard/software	5 000 000	-	-	1 250 000	(1 250 000)	0
Macro city planning & Development	4 624 300	38 875	38 875	1 156 075	(1 117 200)	0
Market	4 624 300	38 875	38 875	1 156 075	(1 117 200)	0
Civil Services & Human Settlement	101 291 950	11 852 915	11 852 915	25 322 988	(13 470 073)	11.70
Water	17 936 078	-	-	4 484 020	(4 484 020)	-
Waste water management(Sewer)	37 186 272	1 818 895	1 818 895	9 296 568	(7 477 673)	-
Roads	45 599 600	10 034 020	10 034 020	11 399 900	(1 365 880)	-
Housing	-	-	-	-	-	-
PMU Unit	570 000	-	-	142 500	(142 500)	-
Dumping side	-	-	-	-	-	-
Electrical & Mechanical Engineering	23 400 000	-	-	5 850 000	(5 850 000)	-
Electrical	23 400 000	-	-	5 850 000	(5 850 000)	-
Total Capital Expenditure	144 615 900	12 435 473	12 435 473	36 153 975	(23 718 502)	8.60

CAPITAL FUNDING

National government	135 315 900	12 225 891	12 225 891	33 828 975	(21 603 084)	9.04
Provincial government	-	-	-	-	-	-
District municipality	-	-	-	-	-	-
Borrowing	-	-	-	-	-	-
Internal Generated funds	9 300 000	209 583	209 583	2 325 000	(2 115 417)	2.25
Financing Total	144 615 900	12 435 474	12 435 474	36 153 975	(23 718 501)	8.60

ANNEXURE D
DEBTOR'S AGE ANALYSIS - SEPTEMBER 2016

Detail	0 - 30 Days	31 - 60 Days	61 - 90 Days	91 + 120 Days	Total
Debtors Age Analysis By Income Source					
Water Tariffs	47 522 378	33 075 727	28 234 851	517 387 997	626 220 953
Electricity Tariffs	58 705 325	15 951 278	8 154 382	147 223 539	230 034 524
Rates (Property Rates)	19 610 903	6 583 476	30 989 757	113 513 758	170 697 894
Sewerage/ Sanitation	10 112 516	6 254 269	4 765 906	98 905 662	120 038 353
Refuse Removal Tariffs	15 916 263	10 278 661	8 250 356	161 226 259	195 671 539
Other	34 787 652	26 794 739	22 226 389	592 294 909	-1 342 663 263
Total By Income Source	186 655 037	98 938 150	102 621 641	1 630 552 124	2 018 766 952
Debtors Age Analysis By Customer Group					
Government	5 531 118	2 941 577	24 192 265	32 129 912	64 794 872
Business	47 390 924	11 644 782	9 698 045	182 749 475	251 483 226
Households	131 649 629	83 781 290	67 465 673	1 375 610 117	1 658 506 709
Other	2 083 366	570 500	1 265 658	40 062 619	43 982 143
Total By Customer Group	186 655 037	98 938 150	102 621 641	1 630 552 124	2 018 766 952

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

Detail	0 - 30 Days	31 - 60 Days	61 - 90 Days	91 - 120 Days	121 +Days	Total
Bulk Electricity	43 560 548	3 433 657	77 384 098	-	63 149 034	187 527 337
Bulk Water	23 458 221	22 120 432	16 089 510	-	15 580 602	77 248 765
Auditor General	1 169 219	365 382	76 678	16 064	1 306 665	2 934 008
Trade Creditors	38 239 344	26 451 151	11 295 871	62 187 927	-	138 174 293
Total	106 427 332	52 370 622	104 846 157	62 203 991	80 036 301	405 884 403

ANNEXURE F

Investment Portfolio: 30 September 2016
City of Matlosana

INSTITUTION	INTEREST RATE	PERIOD	AUGUST 2016	SEPTEMBER 2016	MATURITY DATE	EXPLANATION
Call Investment						
ABSA: 3854	3.30%		2 655 635	184 078		
ABSA: 5047	3.25%		44 133	44 309		
ABSA: 6177	4.47%		375 189	378 287		
ABSA: 2264	3.25%		5 626 669	5 649 129		
ABSA: 4682	5.15%		18 983 132	17 383 175		
ABSA: 4063	2.80%		170 086	170 310		
ABSA: 1223	5.50%		61 272 197	30 758 093		
INVESTEC	5.80%		5 278 600	5 308 102		
TOTAL Call Investment			94 405 640	59 875 483		
Collateral						
SANLAM	Policy	Guaranteed Capital	7 327 152	7 327 152	2018-12-01	Policy
SANLAM	Policy	Guaranteed Capital	490 096	490 096	2019-08-01	Policy
NEDCOR	Minimum 5%		19 875 074	19 875 074	30/06/2019	Security
TOTAL			27 692 322	27 692 322		
Long Term Investment						
FNB	10.00%	1 YEAR	85 413	85 413		Housing Collateral
FNB	9.50%	1 YEAR	14 000	14 000		Housing Collateral
TOTAL			99 413	99 413		
TOTAL INVESTMENTS			122 197 375	87 667 218		

Withdraw R519 634 from ABSA call - 01 September 2016 (MIG current allocation)
 Withdraw R5 000 000 from ABSA call - 06 September 2016
 Withdraw R1 589 076 from ABSA call - 13 September 2016 (NDPG)
 Withdraw R8 000 000 from ABSA call - 16 September 2016
 Withdraw R1 529 924 from ABSA call - 22 September 2016 (MIG current allocation)
 Withdraw R361 830 from ABSA call - 23 September 2016 (MIG current allocation)
 Withdraw R20 000 000 from ABSA call - 23 September 2016
 Withdraw R685 759 from ABSA call - 28 September 2016 (MIG current allocation)
 Withdraw R22 800 from ABSA call - 28 September 2016
 Withdraw R14 000 000 from ABSA call - 30 September 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 A AS AT 30 SEPTEMBER 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	Balance at 30/09/2016	Redemption 2015/16
ANNUITY LOANS													
NW10069	1/10/1997	30/09/2017	20	7436371	Development Bank of SA	Provision of Infrastructure	15	116 727.90	1 552 251.26	480 227.33	0.00	1 072 023.93	967 023.71
NW11142	1/10/1998	30/09/2018	20	7436456	Development Bank of SA	Provision of Infrastructure	15.25	181 826.63	2 500 003.38	420 604.70	0.00	2 079 398.68	985 126.50
NW11827	1/10/2000	30/09/2020	20	3851800	Development Bank of SA	Provision of Infrastructure	15.6	182 426.97	2 115 217.26	170 521.82	0.00	1 944 695.44	852 211.84
NW13874/1	1/7/2001	30/09/2019	18	1000000	Development Bank of SA	Combination	14.75	42 792.89	1 666 606.85	0.00	0.00	1 666 606.85	655 595.24
NW13874/2	1/7/2001	30/09/2019	18	1488123	Development Bank of SA	Combination	14.75	364 726.15	14 998 125.00	0.00	0.00	14 998 125.00	2 982 350.05
NW10129/1	1/7/2004	30/09/2019	15	2807000	Development Bank of SA	Combination	11.2	0.00	9 725 708.58	0.00	0.00	9 725 708.58	3 422 968.63
NW10129/2	1/7/2004	30/09/2019	15	3700000	Development Bank of SA	Combination	11.2	0.00	12 169 920.52	0.00	0.00	12 169 920.52	1 864 486.20
NW10327/1	1/1/2005	1/1/2025	20	13060746	Development Bank of SA	Provision of Infrastructure	14.75	725 169.65	27 648 042.24	442 007.55	0.00	27 203 074.90	1 572 383.73
10686	31/3/1998	31/2/2018	20	553700	Development Bank of SA	Provision of Infrastructure	15	252 482.43	3 397 258.23	728 106.35	0.00	2 669 151.88	497 000.79
10912	30/09/1998	30/09/2019	20	7477000	Development Bank of SA	Provision of Infrastructure	15.25	161 528.55	2 110 124.24	238 826.27	353 900.45	1 871 104.57	728 028.24
10913	30/09/1998	30/09/2019	20	5700000	Development Bank of SA	Provision of Infrastructure	15.25	182 894.32	3 125 015.64	272 284.04	2 848 147.37	2 132 703.33	566 488.37
TOTAL ANNUITIES								2 473 222.07	83 420 090.20	3 147 863.81	0.00	80 272 224.59	14 561 640.22

Template for Calculation of Uniform Financial Ratios and Norms

RATIO	FORMULA	Sep-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	2%	The ratio will increasing as capital expenditure accelerates.
		521 075 143	
		12 435 473	
		0	

C. Liquidity Management

1 Current Ratio	Current Assets / Current Liabilities	0.433084924	The councils assets only cover its liabilities by 43%.
		328 292 891	
		758 033 523	

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	0.004746575	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.
		2 473 322	
		521 075 143	
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	0.03949554	This means total borrowings accounts for 4% of the budgetd income
		80 272 227	
		2 111 255 503	
		78 817 775	

2. FINANCIAL PERFORMANCE

1 Net Operating Surplus Margin	(Total Operating Revenue - Total Operating Expenditure)/Total Operating Revenue	0.753191813	The restated assets register and the accompanying higher depreciation have a significant impact on financial performance of the municipality.
		2 111 255 503	
		521 075 143	

D. Expenditure Management

1 Creditors Payment Period (Trade Creditors)	Trade Creditors Outstanding / Credit Purchases (Operating and Capital) x 365	265.8651571 405 884 403 557 229 118	Improvement, but still way behind acceptable.
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2 Remuneration as % of Total Operating Expenditure	Remuneration (Employee Related Costs and Councillors' Remuneration) / Total Operating Expenditure x100	0.261661042 136 345 065 521 075 143	Below NT norm
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2 Contracted Services % of Total Operating Expenditure	Contracted Services / Total Operating Expenditure x100	0.00964033 5 023 336 521 075 143	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.
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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	1.685364119	There should be an increase in the ratio as the current capital spending accelerates.
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0

209 583
12 435 473

2 Own Source Revenue to Total Operating Revenue(Including Agency Revenue)	Own Source Revenue (Total revenue - Government grants and Subsidies - Public Contributions and Donations)/ Total Operating Revenue (including agency services) x 100	0.13 1 716 984 232 1 487 631 340 0	Improvement reflects less reliance on grants as well as the adjustment in tariffs to the norm.
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3. BUDGET IMPLEMENTATION

1 Capital Expenditure Budget Implementation Indicator	Actual capital Expenditure / Budget Capital Expenditure x 100	0.085989666 12 435 473 144 615 900	Should be at 25%.
2 Operating Expenditure Budget Implementation Indicator	Actual Operating Expenditure / Budgeted Operating Expenditure x 100	0.801259012 521 075 143 650 320 477	Should be atleast 92%
3 Operating Revenue Budget Implementation Indicator	Actual Operating Revenue / Budget Operating Revenue x 100	0.979639688 615 746 026 628 543 365	