

## QUARTERLY REPORT: OCTOBER - DECEMBER 2016

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

The financial results for the period ended 31 December 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:

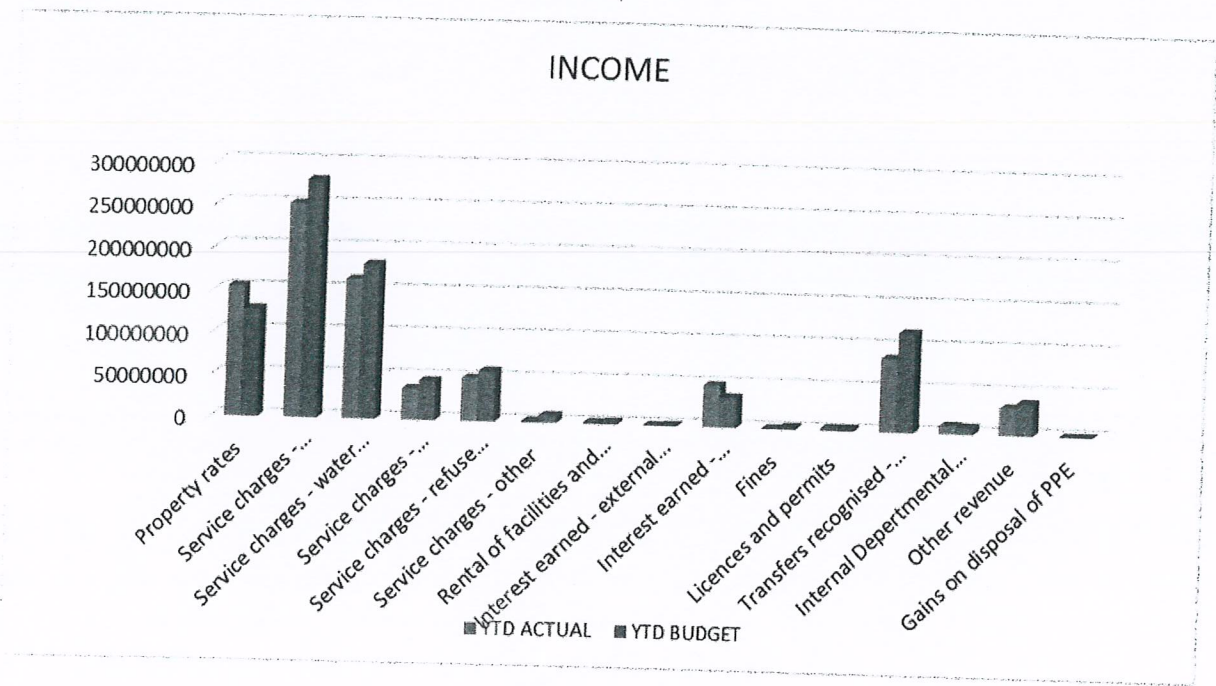
<b>Summary statement of Financial Performance</b>				
<b>Description</b>	<b>YTD Budget 2016/17</b>	<b>2<sup>nd</sup> QUARTER 2016/17</b>	<b>YTD Actual 2016/17</b>	<b>Variance (Favourable) Unfavourable</b>
Total Revenue By Source	(1,257,086,729)	(562,620,410)	(1,178,366,435)	(78,720,294)
Total Operating Expenditure	1,300,640,955	763,923,622	1,281,327,099	19,313,856
<b>(SURPLUS)/ DEFICIT</b>	<b>43,554,226</b>	<b>201,303,213</b>	<b>102,960,663</b>	<b>(59,406,438)</b>

- The total operational income is less than anticipated, due to the following:

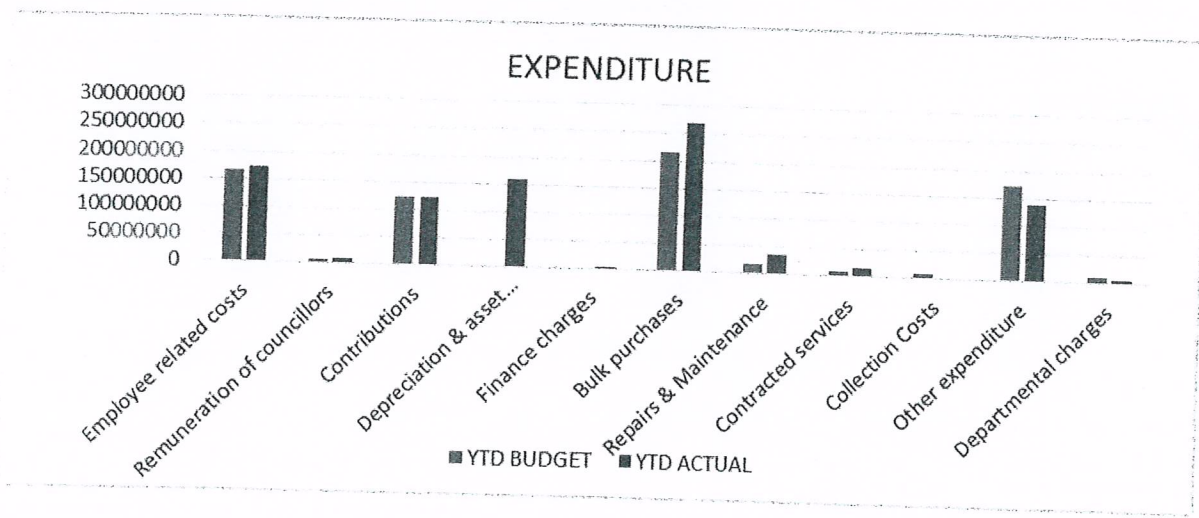
Fine – is 11% due to no traffic contravention system.

Interest on outstanding debtors – shows high percentage of 71.13 due to the debtor's book that is escalating.

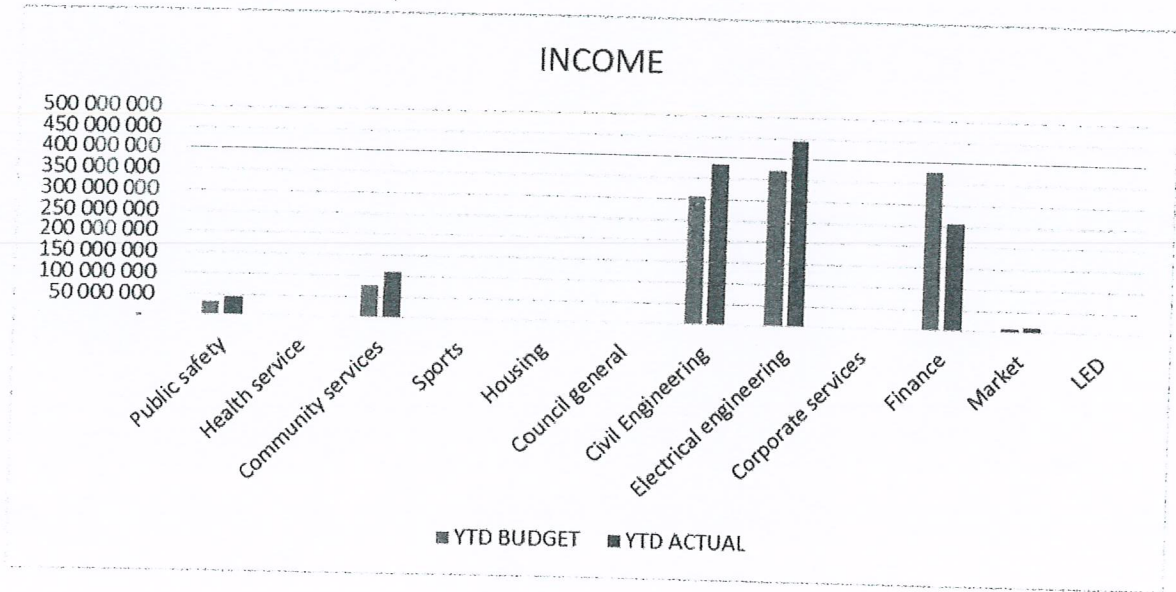
### YTD Actual Income vs YTD Budget Income



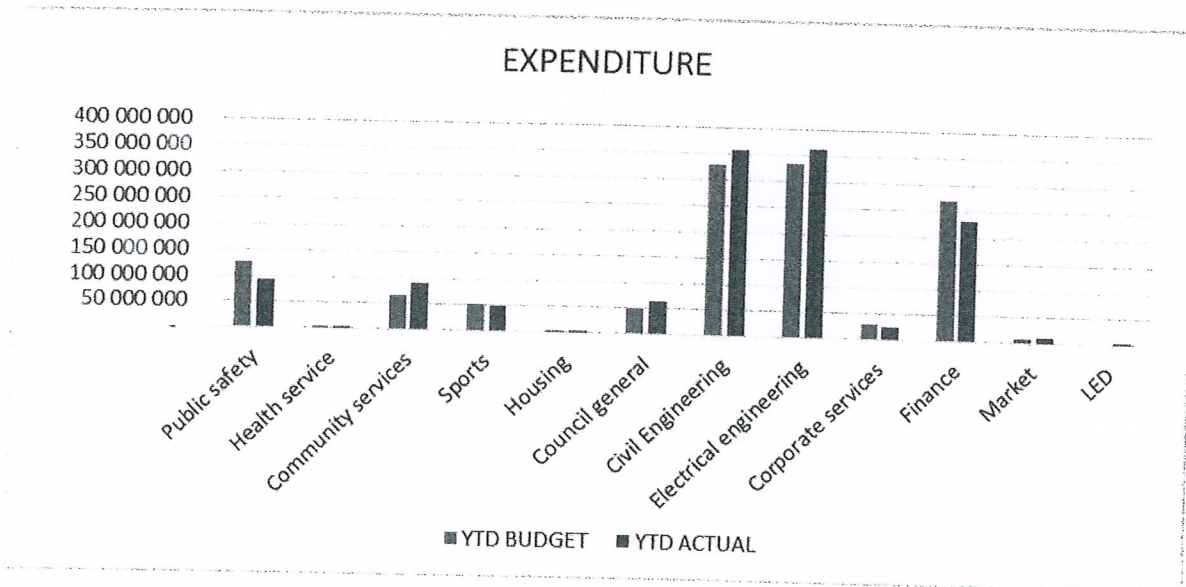
### YTD Actual Expenditure vs YTD Budget Expenditure



## Operating Income per department



## Operating Expenditure per department



## GRANTS AND SUBSIDIES

### Operational allocation/ Grant received

DESCRIPTION	BUDGET 2016/17	2 <sup>nd</sup> QUARTER RECEIVED 2016/17	YTD ACTUAL RECEIVED	YTD%
Equitable shares grants	342,855,000	110,842,000	253,698,000	74%
Finance Management grant	1,810,000	0	1,810,000	100%
Improvement of Library services	1,100,000	0	400,000	36.36
Museum/ Grant research and development	250,000	250,000	250,000	100%
PMU	3,598,100	0	0	0
EPWP	1,658,000	745,000	1,159,000	69.90%
<b>TOTAL</b>	<b>351,271,100</b>	<b>111,837,000</b>	<b>257,317,000</b>	<b>73.25%</b>

## CAPITAL GRANT RECEIVED

DESCRIPTION	BUDGET	2 <sup>nd</sup> QUARTER DECEMBER RECEIVED 2016/17	YTD ACTUAL RECEIVED	YTD%
MIG	79,193,900	59,804 000	64,612,000	81.59%
NDPG	26,052,000	0	18,074,000	69.38%
INEP	16,800,000	8,000,000	8,000,000	47.62%
PMU	570,000	0	0	0
PIG -SEWER	12,000,000	0	0	0
<b>TOTAL</b>	<b>134,615,900</b>	<b>67,804,000</b>	<b>90,686,000</b>	<b>67.37%</b>

- Council received R59.8 million in December for MIG including R20 million that PMU requested in advance.

### Cash Flow Statement (Annexure B)

- Total cash receipts by source reflect an amount of R 277 million, including the grants received for the month of December 2016.
- Total cash payments indicate an amount of R 172.9 million for the month of December 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>2<sup>nd</sup> QUARTER Actual 2016</b>	<b>YTD Actual</b>	<b>Variance Favourable (Unfav)</b>
Total Capital Expenditure	<b>72,307,950</b>	<b>30,362,230</b>	<b>42,797,703</b>	<b>(29,510,247)</b>
<b>Capital funding</b>				
National government	67,657,950	29,723,074	41,948,965	(25,708,985)
Provincial Government	-	-	-	-
District Municipality	-	-	-	-
Borrowing	-	-	-	-
Internal Generated fund	4,650,000	639,156	848,739	(3,801,261)
<b>Financial Total</b>	<b>72,307,950</b>	<b>30,362,230</b>	<b>42,797,703</b>	<b>(29,510,246)</b>

- Capital spending of 29.59% is low than 50% pro-rata. This may result in withholding of grants if the spending does not improve.

MIG Spending

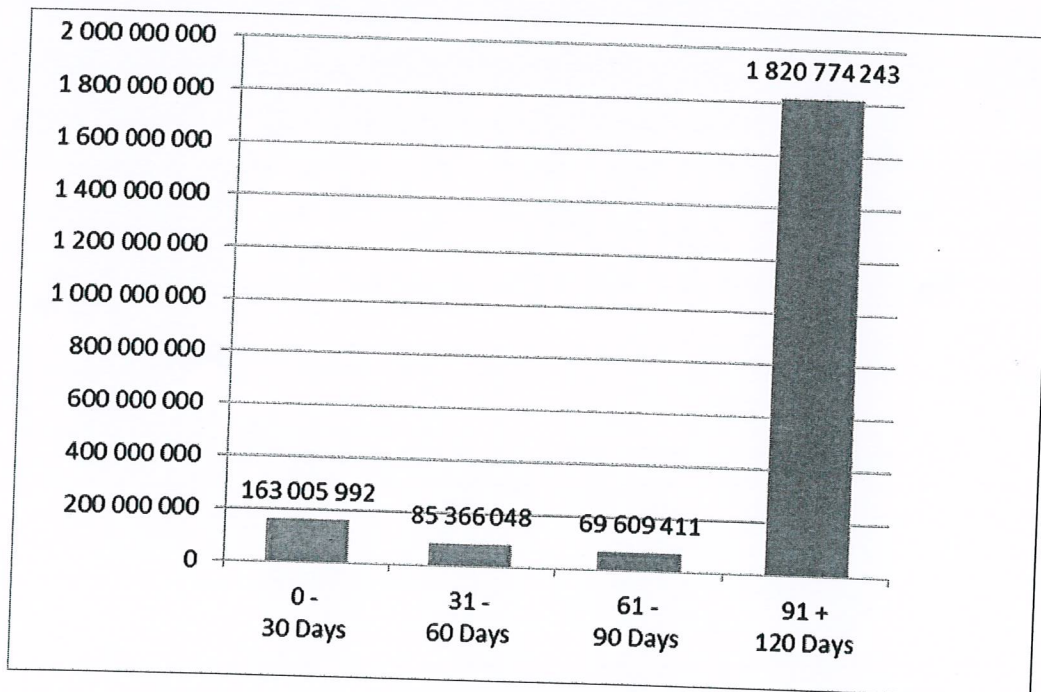
BUDGET	RECEIVED	SPENDING YTD	BALANCE	%SPENDING
79,193,900	64,612,000	29,258,639	14,581,900	36.94%

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 December 2016 amounts to R 1.975 billion.

A detailed Age Analysis is on annexure D.

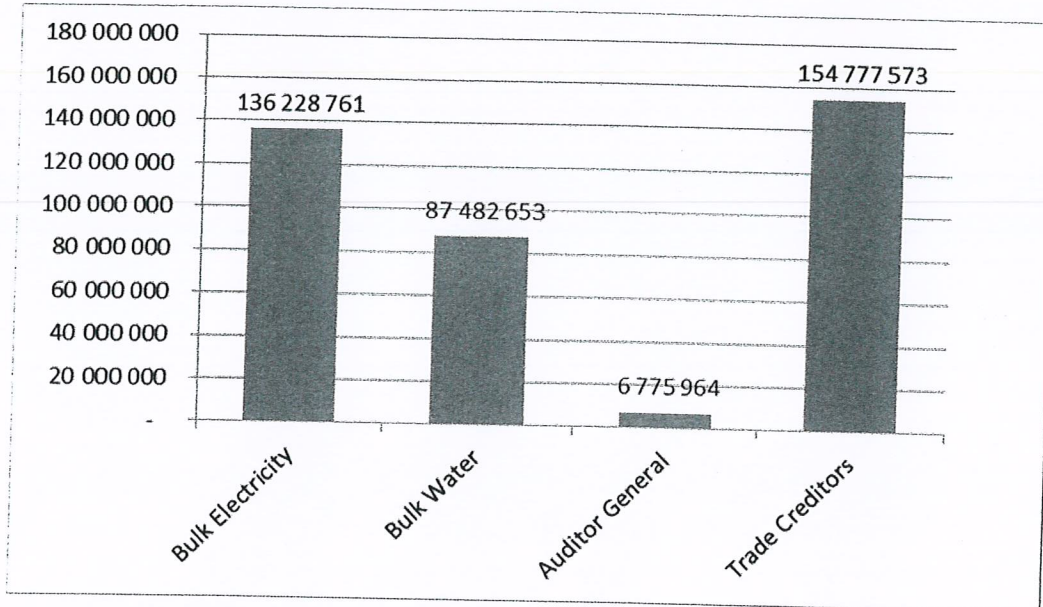
**Debtors by Customer group – 31 December 2016**



- Debtors' book has increased by R53.9 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 R 76.3 million compared to the previous months. This is due to the equitable share received in December 2016. The Eskom, Midvaal, DBSA and sundry creditors were paid month of December.

### Investment Portfolio (Annexure F)

The table indicates the status of the investment portfolio and detail of where invested, which amounts to R 149,711,390 as at 31 December 2016.

Investments					
Institution	Fixed	Call	Long Term	Collateral	Total
	R	R	R	R	R
ABSA		116,520,053			116,520,053
FNB			99,413		99,413
Investec		5,399,602			5,399,602
Nedcor				19,875,074	19,875,074
Sanlam (Policy)	7, 817,248				7,817,248
	<b>7,817,248</b>	<b>121,919,655</b>	<b>99,413</b>	<b>19,875,074</b>	<b>149,711,390</b>

## **ANNEXURE G (BORROWINGS)**

The total amount outstanding on external loans at the end of December 2016 is R76, 377,007.

## **ANNEXURE I**

### **RATIOS**

### **FINANCIAL IMPLICATIONS**

The report covers the period from 1 July 2016 to 31 December 2016. The actual income and expenditure that appears in "Annexure A" reflects details that relates to the actual expenditure, and actual revenue for that period. Year to date actual revenue of R 1,178 billion is less than projected of R 1,257 billion YTD budget (Pro-rata) and vary by R 78, 7 million.

Year to date actual expenditure of R 1,281 billion is less than projected expenditure of R 1,300 million YTD budget (Pro-rata) and vary by R 19.3 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) - December 2016**

Current Year 2016/17

Description	Original Budget	SECOND QUARTER	YTD ACTUAL	YTD BUDGET	Variance	YTD %	Variance%
<b>Revenue By Source</b>							
Property rates	(381 412 939)	(71 074 573)	(200 815 424)	-190 706 470	(10 108 955)	52.65	5.30
Service charges - electricity revenue	(839 692 210)	(162 163 268)	(359 176 336)	-419 846 105	60 669 769	42.77	(14.45)
Service charges - water revenue	(545 280 756)	(124 035 744)	(248 109 619)	-272 640 378	24 530 759	45.50	(9.00)
Service charges - sanitation revenue	(139 240 341)	(27 298 936)	(55 376 340)	-69 620 171	14 243 831	39.77	(20.46)
Service charges - refuse revenue	(179 029 257)	(33 989 315)	(74 097 954)	-89 514 629	15 416 674	41.39	(17.22)
Service charges - other	(26 600 000)	(1 120 928)	(2 731 274)	-13 300 000	10 568 726	10.27	-
Rental of facilities and equipment	(6 614 948)	(1 848 804)	(3 148 409)	-3 307 474	159 065	47.60	(4.81)
Interest earned - external investments	(2 108 000)	(229)	(29 683)	-1 054 000	1 024 317	1.41	(97.18)
Interest earned - outstanding debtors	(106 207 762)	(39 315 495)	(75 550 399)	-53 103 881	(22 446 518)	71.13	42.27
Fines	(7 101 983)	(431 041)	(781 677)	-3 550 992	2 769 315	11.01	(77.99)
Licences and permits	(7 707 601)	(1 571 511)	(3 592 551)	-3 853 801	261 250	46.61	(6.78)
Transfers recognised - operational	(351 271 100)	(86 864 097)	(144 744 487)	-175 635 550	30 891 063	41.21	(17.59)
Internal Departmental Transfers	(25 112 023)	(7 054 498)	(14 619 474)	-12 556 012	(2 063 462)	58.22	16.43
Other revenue	(114 468 670)	(19 130 386)	(43 918 346)	-57 234 335	13 315 989	38.37	(23.27)
Gains on disposal of PPE	-	-	-	0	-	-	-
<b>Total Revenue</b>	<b>(2 731 847 590)</b>	<b>(575 898 825)</b>	<b>(1 226 691 974)</b>	<b>(1 365 923 795)</b>	<b>139 231 821</b>	<b>44.90</b>	<b>(10.19)</b>
<b>Expenditure By Type</b>							
Employee related costs	520 242 208	128 394 745	253 021 949	260 121 104	7 099 155	48.64	2.73
Remuneration of councillors	25 138 051	6 339 452	11 437 881	12 569 026	1 131 144	45.50	9.00
Contributions	372 022 590	91 880 648	183 761 295	186 011 295	2 250 000	49.40	1.21
Depreciation & asset impairment	476 888 007	236 471 800	236 471 800	238 444 004	1 972 204	49.59	0.83
Finance charges	14 180 861	2 383 541	4 856 863	7 090 431	2 233 567	34.25	31.50
Bulk purchases	811 802 286	171 099 318	324 120 776	405 901 143	81 780 367	39.93	20.15
Repairs & Maintenance	105 957 770	21 412 134	33 582 855	52 978 885	19 396 030	31.69	36.61
Contracted services	46 447 745	8 814 674	13 838 010	23 223 873	9 385 863	29.79	40.41
Collection Costs	8 480 000	3 407 949	9 671 623	4 240 000	(5 431 623)	114.05	(128.10)
Other expenditure	420 684 500	97 235 052	243 934 129	210 342 250	(33 591 879)	57.99	(15.97)
Departmental charges	17 112 023	9 772 332	14 965 062	8 556 012	(6 409 051)	87.45	(74.91)
Internal recoveries(amount charge out)	-	(9 606)	(9 606)	-	9 606	-	-
<b>Total Expenditure</b>	<b>2 818 956 041</b>	<b>777 202 038</b>	<b>1 329 652 637</b>	<b>1 409 478 021</b>	<b>79 815 777</b>	<b>47.17</b>	<b>5.66</b>
<b>(Surplus)/Deficit</b>	<b>87 108 451</b>	<b>201 303 213</b>	<b>102 960 663</b>	<b>43 554 226</b>	<b>59 416 044</b>		
<b>TOTAL REVENUE</b>	<b>(2 731 847 590)</b>	<b>(575 898 825)</b>	<b>(1 226 691 974)</b>	<b>(1 365 923 795)</b>	<b>(139 231 821)</b>	<b>44.90</b>	<b>10.19</b>
<b>LESS REVENUE FOREGONE</b>	<b>217 674 132</b>	<b>13 278 415</b>	<b>48 325 538</b>	<b>108 837 066</b>	<b>60 511 528</b>	<b>22.20</b>	<b>55.60</b>
Income forgone on assessment rate	64 190 148	10 368 343	44 926 707	32 095 074	(12 831 633)	69.99	(39.98)
Income forgone on other	153 483 984	2 910 072	3 398 831	76 741 992	73 343 161		
<b>TOTAL INCOME</b>	<b>(2 514 173 458)</b>	<b>(562 620 410)</b>	<b>(1 178 366 435)</b>	<b>(1 257 086 729)</b>	<b>(78 720 294)</b>	<b>46.87</b>	<b>6.26</b>
Total expenditure after deduct revenue	2 601 281 909	763 923 622	1 281 327 099	1 300 640 955	19 313 856	49.26	
<b>TOTAL EXPENDITURE</b>	<b>2 818 956 041</b>	<b>777 202 038</b>	<b>1 329 652 637</b>	<b>1 409 478 021</b>	<b>79 825 383</b>	<b>47.17</b>	<b>5.66</b>
Revenue foregone	(217 674 132)	(13 278 415)	(48 325 538)	(108 837 066)	(60 511 528)	22.20	-
<b>(Surplus)/ Deficit for the year</b>	<b>87 108 451</b>	<b>201 303 213</b>	<b>102 960 663</b>	<b>43 554 226</b>	<b>(59 406 438)</b>		<b>16.64</b>

OPERATING INCOME PER DEPARTMENT AS AT 31 DECEMBER 2016

DESCRIPTION	BUDGET	2nd QUARTER 2016/17	YTD ACTUAL	YTD BUDGET	VARIANCE	VARIANCE	YTD %
Public safety	91 245 550	12 791 181	32 713 010	45 622 775	(12 909 765)	-28.30	35.85
Health service	318 000	24 158	32 244	159 000	(126 756)	-	10.14
Community services	218 260 846	35 950 651	77 660 550	109 130 423	(31 469 873)	-28.84	35.58
Sports	2 288 260	568 150	765 290	1 144 130	(378 840)	-33.11	33.44
Housing	2 166 080	660 982	620 504	1 083 040	(462 536)	-42.71	28.65
Council general	3 286 000	533 255	1 103 925	1 643 000	(539 075)	-32.81	33.59
Civil Engineering	770 137 955	151 238 449	305 949 218	385 068 978	(79 119 760)	-20.55	39.73
Electrical engineering	886 807 970	168 485 881	371 852 495	443 403 985	(71 551 490)	-16.14	41.93
Corporate services	4 523 042	50 538	73 438	2 261 521	(2 188 083)	-96.75	1.62
Finance	515 073 831	187 654 476	378 129 427	257 536 916	120 592 512	46.83	73.41
Market	20 060 343	4 989 628	9 465 435	10 030 172	(564 737)	-5.63	47.18
LED	5 581	700	900	2 791	(1 891)	-	16.13
<b>TOTAL</b>	<b>2 514 173 458</b>	<b>562 620 410</b>	<b>1 178 366 436</b>	<b>1 257 086 729</b>	<b>(78 720 293)</b>	<b>-6.26</b>	<b>46.87</b>

OPERATING EXPENDITURE PER DEPARTMENT

DESCRIPTION	BUDGET	2nd QUARTER 2016/17	YTD ACTUAL	YTD BUDGET	VARIANCE	VARIANCE	YTD %
Public safety	184 212 585	45 780 042	125 571 722	92 106 293	33 465 429	36.33	68.17
Health service	9 630 318	1 744 443	5 400 602	4 815 159	585 443	12.16	56.08
Community services	179 417 061	36 155 832	66 876 038	89 708 531	(22 832 493)	-25.45	37.27
Sports	99 807 013	41 566 698	52 530 043	49 903 507	2 626 536	5.26	52.63
Housing	10 452 484	3 013 594	4 932 756	5 226 242	(293 486)	-5.62	47.19
Council general	130 134 637	25 541 033	49 924 230	65 067 319	(15 143 088)	-23.27	38.36
Civil Engineering	713 859 286	250 164 193	329 339 551	356 929 643	(27 590 092)	-7.73	46.14
Electrical engineering	724 562 975	197 558 093	333 349 519	362 281 488	(28 931 969)	-7.99	46.01
Corporate services	54 044 627	14 293 649	31 320 179	27 022 314	4 297 865	15.90	57.95
Finance	464 821 031	139 745 755	269 197 068	232 410 516	36 786 552	15.83	57.91
Market	22 701 386	6 556 927	9 689 339	11 350 693	(1 661 354)	-14.64	42.68
LED	7 638 506	1 803 363	3 196 055	3 819 253	(623 198)	-16.32	41.84
<b>TOTAL</b>	<b>2 601 281 909</b>	<b>763 923 623</b>	<b>1 281 327 099</b>	<b>1 300 640 955</b>	<b>(19 313 855)</b>	<b>-1.48</b>	<b>49.26</b>

Surplus/Deficit	(87 108 451)	(201 303 212)	(102 960 663)	(43 554 226)	(59 406 438)	(5)	(2.4)
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**GRANTS AND SUBSIDIES - DECEMBER 2016**

**Operational allocation/grant received**

	<b>BUDGET</b>	<b>2nd Quarter 2016/17</b>	<b>YTD RECEIVED</b>	<b>YTD%</b>
Equitable shares grants	342 855 000	110 842 000	253 698 000	74.00
Finance Management Grant	1 810 000	-	1 810 000	100.00
Improvement of library services	1 100 000	-	400 000	36.36
Museum/Grant research and development	250 000	250 000	250 000	100.00
PMU	3 598 100	-	-	-
EPWP (arbour week)	1 658 000	745 000	1 159 000	69.90
	<b>351 271 100</b>	<b>111 837 000</b>	<b>257 317 000</b>	<b>73.25</b>
<b>CAPITAL GRANT RECEIVED</b>				
MIG	79 193 900	59 804 000	64 612 000	81.59
NDPG	26 052 000	-	18 074 000	69.38
DME/INER	16 800 000	8 000 000	8 000 000	47.62
PIG-SEWER	12 000 000	-	-	-
PMU	570 000	-	-	-
	<b>134 615 900</b>	<b>67 804 000</b>	<b>90 686 000</b>	<b>67.37</b>

**ANNEXURE B**
**Cash Flow Statement for the month of December 2016**

<b>Cash Receipts by Source</b>	<b>December 2016</b>
Property rates	16 225 712
Service charges - electricity revenue	36 740 322
Service charges - water revenue	18 062 375
Service charges - sanitation revenue	4 140 681
Service charges - refuse revenue	3 881 969
Service charges - other	15 513 473
Rental of facilities and equipment	243 898
Interest earned - external investments	8 036
Interest earned - outstanding debtors	-
Fines	119 599
Licences and permits	524 249
Transfer receipts - operational grants	111 092 000
Other revenue	10 197 360
<b>Cash Receipts by Source</b>	<b>216 749 674</b>
Transfer receipts - capital grants	63 804 000
Proceeds on disposal of PPE	-
<b>Total Cash Receipts by Source</b>	<b>280 553 674</b>
Proceeds on disposal of PPE	-
Short term loan	-
Borrowing long term/ Refinancing	(3 591 209)
Increase (decrease) in consumer deposits	35 798
Decrease (increase) in non - current debtors	-
Decrease (increase) in non - current	-
Decrease (increase) in non- current investment	2 083
<b>Total Cash Receipts by Source</b>	<b>277 000 346</b>
<b>Cash Payments by Type</b>	
Employee related costs	42 627 656
Remuneration of councillors	2 107 568
Collection costs	229 375
Interest paid	1 904 590
Bulk purchases - Electricity	42 508 974
Bulk purchases - Water	19 258 146
Repairs and maintainance	1 470 659
Contracted services	3 831 011
General expenses	42 565 083
<b>Cash Payments by Type</b>	<b>156 503 062</b>
<b>Other Cash Flows/Payments by Type</b>	
Capital assets	10 935 742
Repayment of borrowing	5 495 799
<b>Other Cash Flows/Payments</b>	<b>16 431 541</b>
<b>Investment</b>	-
<b>Total Cash Payments by Type</b>	<b>172 934 603</b>
<b>Net increase/(decrease) in cash held</b>	<b>104 065 742</b>
<b>Cash/ cash equivalent at the month begin</b>	<b>39 181 273</b>
<b>Cash/ cash equivalent at the month end</b>	<b>143 247 015</b>

## ANNEXURE C CAPITAL EXPENDITURE

## NW403 City Of Matlosana - Budgeted Capital Expenditure - December 2016

	Original Budget	2nd Quarter 2016/17	YTD Actual	YTD Budget	Variance	YTD %
<b>Capital Expenditure</b>						
<i>Council General</i>	4 300 000	639 156	848 739	2 150 000	(1 301 261)	-
Council General Admin	4 300 000	639 156	848 739	2 150 000	(1 301 261)	0
<i>Municipal &amp; Environmental Services</i>	5 999 650	488 701	822 801	2 999 825	(2 177 024)	13.71
Community and social services	-	-	-	-	-	-
Sport and recreation	5 299 650	488 701	822 801	2 649 825	(1 827 024)	-
Refuse removal	-	-	-	-	-	-
Public Safety	-	-	-	-	-	0
Health	-	-	-	-	-	0
Cemetary	700 000	-	-	350 000	(350 000)	0
Finance	5 000 000	-	-	2 500 000	(2 500 000)	0
ICT Hard/software	5 000 000	-	-	2 500 000	(2 500 000)	0
<i>Macro city planning &amp; Development</i>	4 624 300	1 278 780	1 317 655	2 312 150	(994 495)	0
Market	4 624 300	1 278 780	1 317 655	2 312 150	(994 495)	-
<i>Civil Services &amp; Human Settlement</i>	101 291 950	23 651 938	35 504 853	50 645 975	(15 141 122)	35.05
Water	17 936 078	5 659 285	5 659 285	8 968 039	(3 308 754)	-
Waste water management(Sewer)	37 186 272	2 034 973	3 853 868	18 593 136	(14 739 268)	-
Roads	45 599 600	15 957 680	25 991 700	22 799 800	3 191 900	-
Housing	-	-	-	-	-	-
>MU Unit	570 000	-	-	285 000	(285 000)	-
Dumping side	-	-	-	-	-	-
<i>Electrical &amp; Mechanical Engineering</i>	23 400 000	4 303 656	4 303 656	11 700 000	(7 396 344)	18.39
Electrical	23 400 000	4 303 656	4 303 656	11 700 000	(7 396 344)	-
<b>Total Capital Expenditure</b>	<b>144 615 900</b>	<b>30 362 230</b>	<b>42 797 703</b>	<b>72 307 950</b>	<b>(29 510 247)</b>	<b>29.59</b>

## CAPITAL FUNDING

National government	135 315 900	29 723 074	41 948 965	67 657 950	(25 708 985)	31.00
Provincial government	-	-	-	-	-	-
District municipality	-	-	-	-	-	-
Borrowing	-	-	-	-	-	-
Internal Generated funds	9 300 000	639 156	848 739	4 650 000	(3 801 261)	9.13
<b>Financing Total</b>	<b>144 615 900</b>	<b>30 362 230</b>	<b>42 797 704</b>	<b>72 307 950</b>	<b>(29 510 246)</b>	<b>29.59</b>

**ANNEXURE D**  
**DEBTOR'S AGE ANALYSIS - DECEMBER 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>Total</b>
<b>Debtors Age Analysis By Income Source</b>					
Water Tariffs	41 678 246	27 206 917	23 469 669	583 063 363	675 418 195
Electricity Tariffs	48 224 922	14 905 497	7 799 978	160 660 824	231 591 221
Rates (Property Rates)	21 607 470	5 884 772	5 102 329	142 256 933	174 851 504
Sewerage/ Sanitation	8 437 563	5 308 518	4 408 439	109 447 368	127 601 888
Refuse Removal Tariffs	10 536 890	7 581 252	7 160 433	182 259 867	207 538 442
Other	32 520 901	24 479 092	21 668 563	643 085 888	721 754 444
<b>Total By Income Source</b>	<b>163 005 992</b>	<b>85 366 048</b>	<b>69 609 411</b>	<b>1 820 774 243</b>	<b>2 138 755 694</b>
<b>Debtors Age Analysis By Customer Group</b>					
Government	5 001 428	2 571 071	2 143 763	56 215 869	65 932 131
Business	47 753 330	16 201 676	9 341 285	196 812 092	270 108 383
Households	109 444 322	65 466 661	57 503 550	1 526 029 297	1 758 443 830
Other	806 912	1 126 640	620 813	41 716 985	44 271 350
<b>Total By Customer Group</b>	<b>163 005 992</b>	<b>85 366 048</b>	<b>69 609 411</b>	<b>1 820 774 243</b>	<b>2 138 755 694</b>

**ANNEXURE D**  
**DEBTOR'S AGE ANALYSIS - NOVEMBER 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	40 647 880	25 890 954	30 431 477	561 865 185	658 835 496
Electricity Tariffs	45 404 378	10 813 554	10 179 439	156 103 752	222 501 123
Rates (Property Rates)	18 946 072	6 695 913	4 293 500	141 423 898	171 359 383
Sewerage/ Sanitation	8 264 865	4 921 256	5 019 605	106 381 925	124 587 651
Refuse Removal Tariffs	10 359 631	7 700 918	10 264 447	174 787 288	203 112 284
Other	31 872 082	22 885 013	23 748 111	625 933 269	704 438 475
<b>Total By Income Source</b>	<b>155 494 908</b>	<b>78 907 608</b>	<b>83 936 579</b>	<b>1 766 495 317</b>	<b>2 084 834 412</b>
<b>Debtors Age Analysis By Customer Group</b>					
Government	4 036 029	2 408 545	1 884 698	54 660 261	62 989 533
Business	44 655 224	11 496 645	8 563 385	191 779 147	256 494 401
Households	105 559 919	64 346 016	72 922 895	1 478 787 784	1 721 616 614
Other	1 243 737	656 402	565 601	41 268 125	43 733 865
<b>Total By Customer Group</b>	<b>155 494 908</b>	<b>78 907 608</b>	<b>83 936 579</b>	<b>1 766 495 317</b>	<b>2 084 834 412</b>

**ANNEXURE E  
OUTSTANDING CREDITORS STATEMENT - DECEMBER 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	47 173 748	-	-	89 055 013	-	136 228 761
Bulk Water	22 299 405	23 715 894	21 145 414	15 435 570	4 886 370	87 482 653
Auditor General	2 487 131	1 354 824	1 169 219	365 383	1 399 407	6 775 964
Trade Creditors	13 805 532	23 088 282	15 412 400	102 471 359	-	154 777 573
<b>Total</b>	<b>85 765 816</b>	<b>48 159 000</b>	<b>37 727 033</b>	<b>207 327 325</b>	<b>6 285 777</b>	<b>385 264 951</b>



## ANNEXURE E

## OUTSTANDING CREDITORS STATEMENT - NOVEMBER 2016

Detail	0 - 30 Days	31 - 60 Days	61 - 90 Days	91 - 120 Days	121 +Days	Total
Bulk Electricity	47 486 357	-	-	-	-	-
Bulk Water	24 601 368	24 400 354	23 446 116	10 771 786	141 133 984	188 620 341
Auditor General	-	1 169 219	365 382	76 678	1 582 418	84 802 042
Trade Creditors	42 084 145	24 206 955	24 100 098	94 784 643	1 322 729	2 934 008
<b>Total</b>	<b>114 171 870</b>	<b>49 776 528</b>	<b>47 911 596</b>	<b>105 633 107</b>	<b>144 039 131</b>	<b>461 532 232</b>

**ANNEXURE F**

Investment Portfolio: 31 December 2016  
City of Matlosana

INSTITUTION	INTEREST RATE	PERIOD	NOVEMBER 2016	DECEMBER 2016	MATURITY DATE	EXPLANATION
<b>Call Investment</b>						
ABSA: 3854	3.30%		189 207.78	14 360 617.35		
ABSA: 5047	3.25%		44 657.63	45 009.09		
ABSA: 6177	4.47%		382 566.65	386 894.49		
ABSA: 2264	3.25%		5 693 589.06	5 738 398.83		
ABSA: 4682	5.15%		14 926 371.92	9 697 745.13		
ABSA: 4063	2.80%		170 751.52	170 969.05		
ABSA: 1223	5.50%		8 244 617.65	86 120 418.60		
INVESTEC	5.80%		5 368 596.80	5 399 602.29		
<b>TOTAL Call Investment</b>			<b>35 020 359.01</b>	<b>121 919 654.83</b>		
<b>Collateral</b>						
SANLAM	Policy	Guaranteed Capital	7 327 152.00	7 327 152.00	2018-12-01	Policy
SANLAM	Policy	Guaranteed Capital	490 096.00	490 096.00	2019-08-01	Policy
NEDCOR	Minimum 5%		19 875 074.00	19 875 074.00	30/06/2019	Security
<b>TOTAL</b>			<b>27 692 322.00</b>	<b>27 692 322.00</b>		
<b>Long Term Investment</b>						
FNB	10.00%	1 YEAR	85 413.28	85 413.28		Housing Collateral
FNB	9.50%	1 YEAR	14 000.00	14 000.00		Housing Collateral
<b>TOTAL</b>			<b>99 413.28</b>	<b>99 413.28</b>		
<b>TOTAL INVESTMENTS</b>			<b>62 812 094.29</b>	<b>149 711 390.11</b>		

Withdraw R3 020 225 from ABSA call (NDPG) - 01 December 2016  
 Withdraw R3 000 000 from ABSA call - 06 December 2017  
 Invest R39 277 000 with ABSA on call (MIG) - 08 December 2016  
 Withdraw R21 513 114 from ABSA call (MIG) - 09 December 2016  
 Invest R75 000 000 with ABSA on call - 15 December 2016  
 Withdraw R15 000 000 from ABSA call - 20 December 2016  
 Withdraw R3 635 567 from ABSA call (MIG) - 21 December 2016  
 Withdraw R2 353 404 from ABSA call (NDPG) - 22 December 2016  
 Invest R20 527 000 with ABSA on call (MIG) - 23 December 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 G AS AT 31 DECEMBER 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 Forfeited or Re-deemed	Additional Principal Accrued	Balance at 31/12/2016	Redemption 2015/16
ANNUITY LOANS													
NW10689	17/01/1997	30/09/2017	20	7436371	Development Bank of SA	Provision of Infrastructure	15	116,727.60	1,855,261.28	489,237.23	0.00	1,072,013.66	887,251.71
NW11182	17/01/1999	30/09/2018	20	7436446	Development Bank of SA	Provision of Infrastructure	15.25	107,825.53	2,829,003.08	429,684.79	0.00	2,079,348.28	885,123.90
NW13637	17/02/2000	30/09/2019	20	2861400	Development Bank of SA	Provision of Infrastructure	15.6	182,428.97	2,115,517.28	179,851.82	0.00	1,944,886.44	385,971.84
NW12874/1	17/02/2001	30/09/2019	18	1800000	Development Bank of SA	Combination	14.75	85,487.58	1,999,886.46	277,777.77	0.00	1,250,895.28	552,926.24
NW101287/1	17/02/2001	30/09/2019	18	1800000	Development Bank of SA	Combination	14.75	796,115.07	14,998,122.00	0.00	0.00	15,000,122.00	2,896,380.00
NW101287/2	17/02/2004	30/09/2018	15	3720000	Development Bank of SA	Combination	11.2	546,118.17	9,725,708.99	1,428,078.14	0.00	8,300,630.84	3,052,893.63
10658	15/12/2010	31/12/2025	15	38268978	Development Bank of SA	Provision of Infrastructure	14.75	897,117.08	27,169,800.83	1,788,188.87	0.00	26,411,724.96	1,864,485.29
10658	15/12/1999	31/12/2018	20	13469748	Development Bank of SA	Provision of Infrastructure	14.75	1,452,378.52	27,645,862.64	898,933.77	0.00	26,749,409.77	1,878,360.71
10612	30/09/1999	30/09/2018	20	8467000	Development Bank of SA	Provision of Infrastructure	15.25	255,482.43	3,267,258.23	789,105.54	0.00	2,478,152.69	497,000.78
10612	30/09/1999	30/09/2018	20	7477000	Development Bank of SA	Provision of Infrastructure	15.25	161,238.56	3,110,134.34	238,072.87	0.00	2,872,061.47	736,026.24
10612	30/09/1999	30/09/2018	20	8780000	Development Bank of SA	Provision of Infrastructure	15.25	238,025.27	3,118,018.84	355,892.45	0.00	2,771,126.39	666,485.37
TOTAL ANNUITIES										7,262,082.01	0.00	78,277,697.48	14,851,640.32

## Template for Calculation of Uniform Financial Ratios and Norms

RATIO	FORMULA	Dec-16	MUNICIPAL COMMENTS (if)
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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	<div style="background-color: black; color: white; padding: 2px;">0.33</div> 1 281 327 099 42 797 703 0	The ratio will increasing as capital expenditure accelerates.
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#### C. Liquidity Management

1 Current Ratio	Current Assets / Current Liabilities	<div style="background-color: black; color: white; padding: 2px;">0.46</div> 338 157 070 741 144 887	The councils assets only cover its liabilities by 46%.
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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 x 100	<div style="background-color: black; color: white; padding: 2px;">0.003790494</div> 4 856 863 1 281 327 099	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 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	<div style="background-color: black; color: white; padding: 2px;">0.038300242</div> 76 377 007 2 111 255 503 117 090 367	

### 2. FINANCIAL PERFORMANCE

1 Net Operating Surplus Margin	(Total Operating Revenue - Total Operating Expenditure)/Total Operating Revenue	<div style="background-color: black; color: white; padding: 2px;">0.38300242</div> 2 111 255 503 1 281 327 099	The restated assets register and the accompanying higher depreciation have a significant impact on financial performance of the municipality.
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### D. Expenditure Management

1 Creditors Payment Period (Trade Creditors)	Trade Creditors Outstanding / Credit Purchases (Operating and Capital) x 365	103.884505 385 264 951 1 353 635 049	Improvement, but still way behind acceptable.
2 Remuneration as % of Total Operating Expenditure	Remuneration (Employee Related Costs and Councillors' Remuneration) / Total Operating Expenditure x100	0.212818514 272 690 130 1 281 327 099	Below NT norm
2 Contracted Services % of Total Operating Expenditure	Contracted Services / Total Operating Expenditure x100	0.010799748 13 838 010 1 281 327 099	The proposed lower ratio is a product of a change to create in house 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	1.983141743  0 848 739 42 797 703	There should be an increase in the ratio as the current capital spending accelerates.
2 Own Source Revenue to Total Operating Revenue (Including Agency Revenue)	Own Source Revenue (Total revenue - Government grants and Subsidies - Public Contributions and Donations) / Total Operating Revenue (including agency services) x 100	0.19 1 178 366 435 949 013 543 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	0.29597051 42 797 703 144 615 900	Should be at 50%.
2 Operating Expenditure Budget Implementation Indicator	Actual Operating Expenditure / Budgeted Operating Expenditure x 100	0.985150509 1 281 327 099 1 300 640 955	
3 Operating Revenue Budget Implementation Indicator	Actual Operating Revenue / Budget Operating Revenue x 100	0.937479789 1 178 366 435 1 257 086 729	