

QUARTERLY REPORT: JANUARY - MARCH 2017

MUNICIPAL FINANCE MANAGEMENT ACT NO.56 of 2003(MFMA): QUARTERLY FINANCIAL REPORT FOR JANUARY – MARCH 2017

1. PURPOSE

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

2. BACKGROUND

Section 52(d) of the MFMA requires that:

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

3. QUARTERLY REPORT : JANUARY – MARCH 2017

The financial results for the period ended 31 March 2017 are summarized as follows:

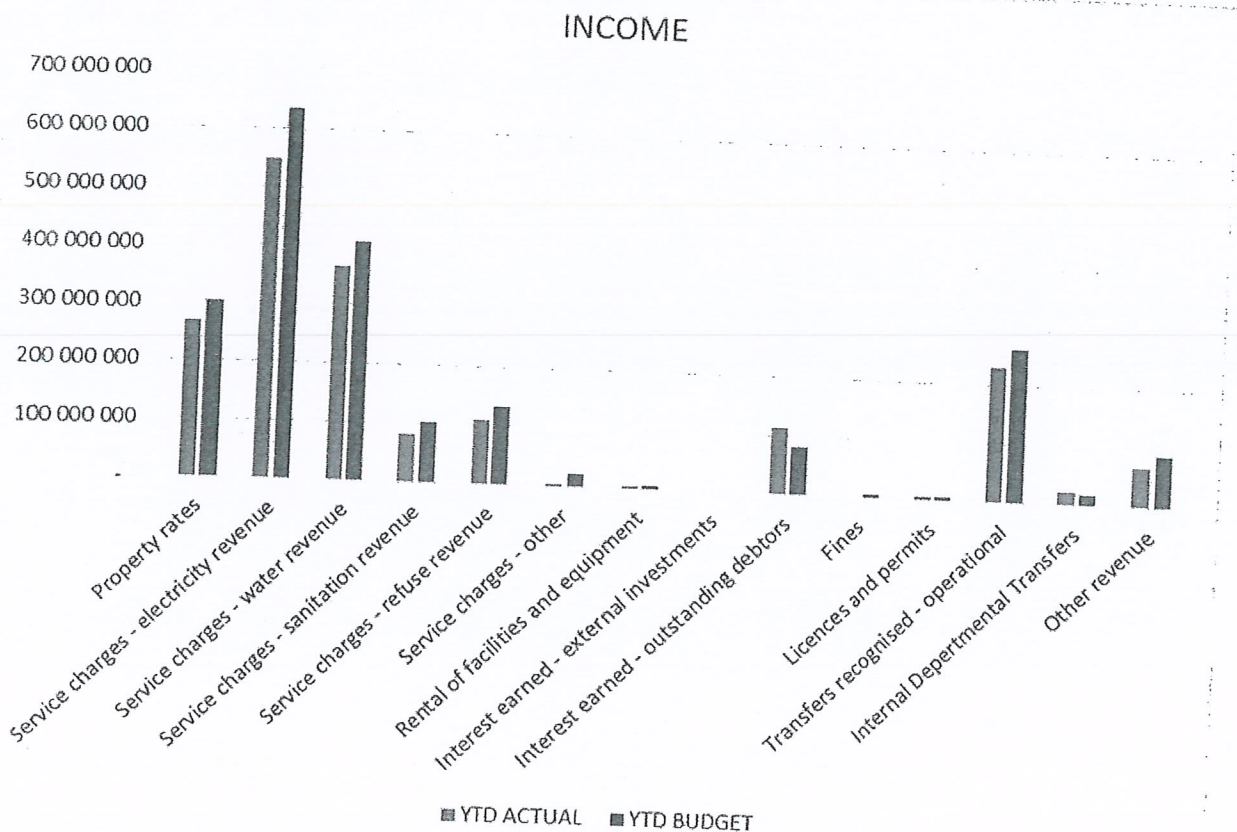
Statement of Financial Performance (SFP)

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 2016/17	3 rd QUARTER ACTUAL 2016/17	YTD Actual 2016/17	Variance (Favourable) Unfavourable
Total Revenue By Source	(1,912,929,077)	(577,777,591)	(1,756,994,180)	(155,934,897)
Total Operating Expenditure	1,976,817,651	586,220,831	1,867,547,930	109,269,721
(SURPLUS)/ DEFICIT	63,888,575	8,443,240	110,553,750	(46,665,176)

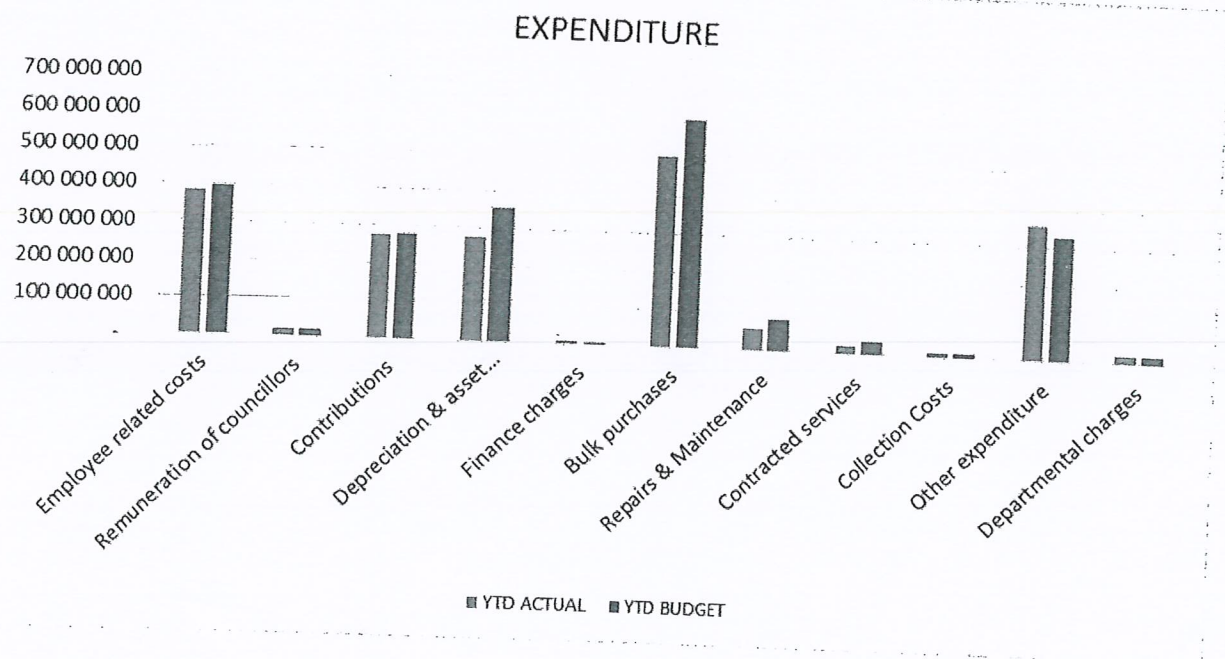
YTD Actual Income vs YTD Budget Income



Variances Budget versus Actuals

- Service charges Water- Slightly lower due to good rainy season.
- Service charges Refuse – Provision for free basic refuse.
- Service charges Sanitation – Provision for free basic sanitation.
- Interest earned outstanding debtors – Increase in debtor's book.
- Bulk purchase – Payment agreement in process

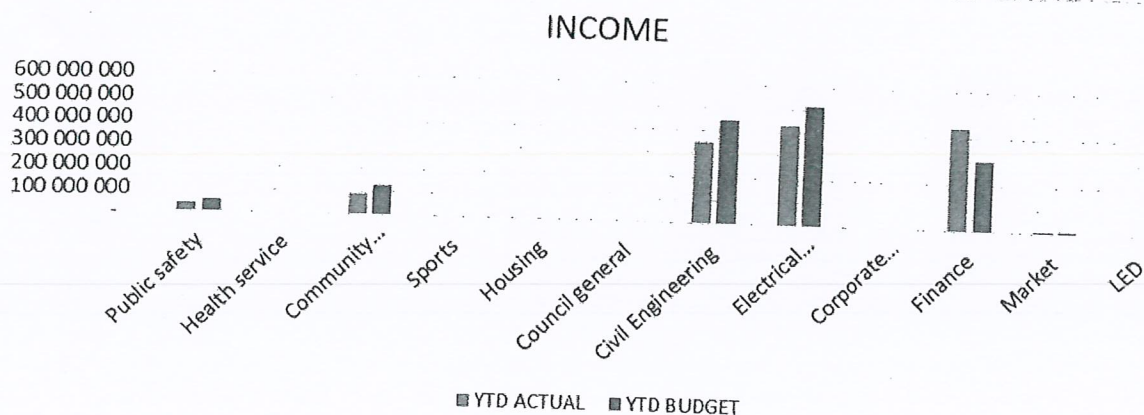
YTD Actual Expenditure vs YTD Budget Expenditure



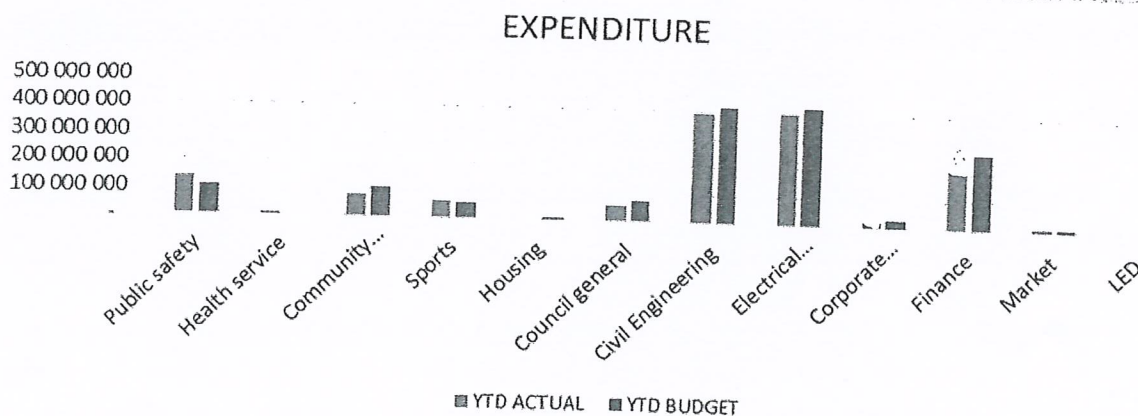
Variances Budget versus Actuals

- Repairs & Maintenance - Low expenditure due to cost containment and cash flow constrains
- Contracted Services - Low expenditure due to cost containment and cash flow constrains
- Collection Cost (Corporate services) - Due to the accrual of previous financial year to be corrected.
- Other Expenditure (Public safety) - Payment of provincial licenses

Operating Income per department



Operating Expenditure per department



GRANTS AND SUBSIDIES

Operational allocation/ Grant received

DESCRIPTION	BUDGET 2016/17	3rd QUARTER RECEIVED 2016/17	YTD ACTUAL RECEIVED	YTD%
Equitable shares grants	342,855,000	87,514,000	341,212,000	99.52%
Finance Management grant	1,810,000	0	1,810,000	100%
Improvement of Library services	1,100,000	700,000	1,100,000	100%
Museum/ Grant research and development	250,000	0	250,000	100%
PMU	3,598,100	3,598,100	3,598,100	100%
EPWP	1,658,000	479,000	1,656,000	99.88%
TOTAL	351,271,100	92,309,100	349,626,100	99.53%

CAPITAL GRANT RECEIVED

DESCRIPTION	BUDGET	3rd QUARTER RECEIVED 2016/17	YTD ACTUAL RECEIVED	YTD%
MIG	79,193,900	14,581,900	79,193,000	100%
NDPG	35,325,000	17,251,000	35,325,000	100%
INEP	16,800,000	2,800,000	10,800,000	64.29%
PMU	570,000	570,000	570,000	100%
TOTAL	131,888,900	35,202,900	125,800,900	95.45%

Cash Flow Statement (Annexure B)

- Total cash receipts by source reflect an amount of R 263.6 million, including the grants received for the month of March 2017.
- Total cash payments indicate an amount of R 168 million for the month of March 2017.

Capital expenditure report (Annexure C)

The summary report indicates the following:

Summary statement of Capital Expenditure				
Description	YTD Budget	3rd QUARTER 2016/17	YTD Actual	Variance Favourable (Unfav)
Total Capital Expenditure	134,258,664	39,156,964	81,954,667	(52,303,997)
Capital funding				
National government	94,658,664	18,991,162	60,940,128	(33,718,536)
Provincial Government	-	-	-	-
District Municipality	-	-	-	-
Borrowing	-	-	-	-
Internal Generated fund	39,600,000	20,165,800	21,014,539	(18,585,461)
Financial Total	134,258,664	39,156,963	81,954,667	(52,303,997)

- Capital spending of 46% is lower than the 75% pro-rata.

MIG Spending

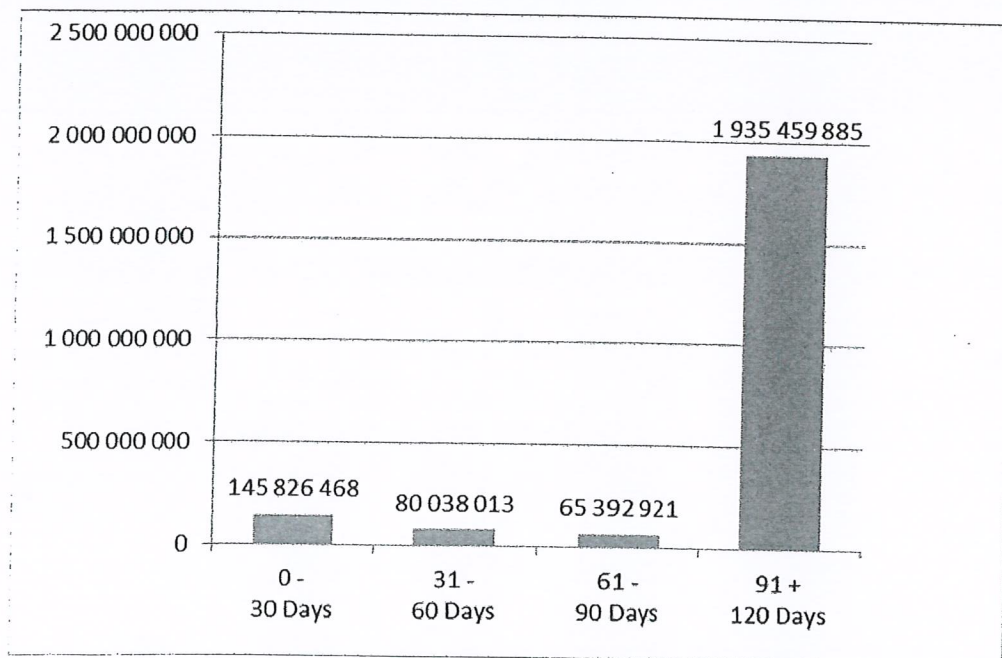
BUDGET	3 rd QUARTER RECEIVED	SPENDING YTD	YTD RECEIVED	%SPENDING
79,193,900	14,581,900	44,730,754	79,193,900	56.48%

Outstanding Debtors report (Annexure D)

This graph provides an extended aged analysis, as well as debtor's type. The summary report indicates that the debtor's greater than 30 days (31-90+days) balance as at 31 March 2017 amounts to R 2.080 billion.

A detailed Age Analysis is on annexure D.

Debtors by Customer group – 31 March 2017

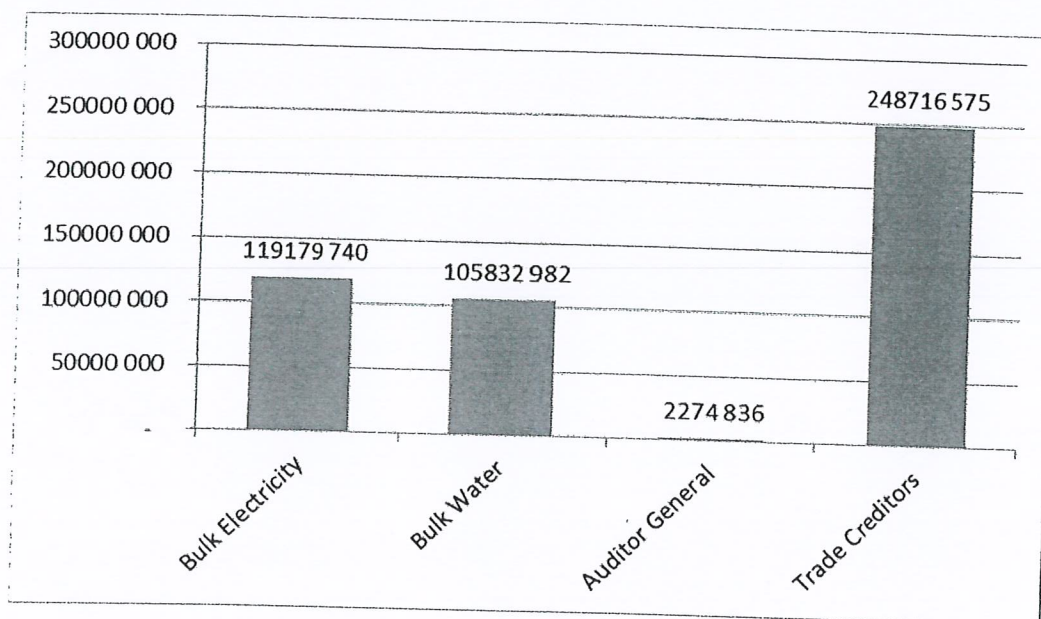


- Debtors' book has increased by R22 million as compared to the previous month.

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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 50.7 million compared to the previous months.

Investment Portfolio (Annexure F)

The table indicates the status of the investment portfolio which amounts to R 176,008,934 as at 31 March 2017.

Investments					
Institution	Fixed	Call	Long Term	Collateral	Total
	R	R	R	R	R
ABSA		142,726,554			142,726,554
FNB			99,413		99,413
Investec		5,490,644			5,490,644
Nedcor				19,875,074	19,875,074
Sanlam (Policy)	7,817,248				7,817,248
	7,817,248	148,217,199	99,413	19,875,074	176,008,934

ANNEXURE G (BORROWINGS)

The total amount outstanding on external loans at the end of March 2017 amount to R72,977,983.

ANNEXURE I

RATIOS

FINANCIAL IMPLICATIONS

The report covers the period from 1 July 2016 to 31 March 2017. 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 1,757 billion is less than projected of R 1,913 billion YTD budget (Pro-rata) and vary by R 155,935 million.

Year to date actual expenditure of R 1,867 billion is less than projected expenditure of R 1,977 billion YTD budget (Pro-rata) and vary by R 109,270 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) - March 2017

Current Year 2016/17

Description	Adjusted Budget	3rd QUARTER 16/17	YTD ACTUAL	YTD BUDGET	Variance	YTD %	Variance%
Revenue By Source							
Property rates	(402 854 889)	(66 110 876)	(267 831 395)	-302 141 167	34 309 771	66.48	(11.36)
Service charges - electricity revenue	(846 167 442)	(188 034 522)	(547 210 858)	-634 625 582	87 414 724	64.67	(13.77)
Service charges - water revenue	(545 280 756)	(117 357 316)	(365 466 936)	-408 960 567	43 493 632	67.02	(10.64)
Service charges - sanitation revenue	(139 240 341)	(26 787 474)	(82 163 814)	-104 430 256	22 266 442	59.01	(21.32)
Service charges - refuse revenue	(179 039 257)	(35 304 981)	(109 402 935)	-134 279 443	24 876 507	61.11	(18.53)
Service charges - other	(29 408 463)	-	(4 588 049)	-22 056 347	17 468 298	15.60	-
Rental of facilities and equipment	(6 934 038)	(1 371 585)	(4 519 995)	-5 200 529	680 534	65.19	(13.09)
Interest earned - external investments	(2 108 000)	(2 498 137)	(2 527 821)	-1 581 000	(946 821)	119.92	59.89
Interest earned - outstanding debtors	(108 765 332)	(39 957 099)	(115 507 498)	-81 573 999	(33 933 499)	106.20	41.60
Fines	(7 086 098)	(157 269)	(938 946)	-5 314 574	4 375 627	13.25	(82.33)
Licences and permits	(7 700 637)	(2 051 161)	(5 643 712)	-5 775 478	131 766	73.29	(2.28)
Transfers recognised - operational	(351 271 100)	(86 103 656)	(230 848 143)	-263 453 325	32 605 182	65.72	(12.38)
Internal Departmental Transfers	(25 122 023)	(7 225 349)	(21 844 823)	-18 841 517	(3 003 306)	86.95	15.94
Other revenue	(117 267 858)	(24 169 108)	(68 087 454)	-87 950 894	19 863 440	58.06	(22.58)
Gains on disposal of PPE	-	-	-	0	-	-	-
Total Revenue	(2 768 246 234)	(599 040 251)	(1 826 582 378)	(2 076 184 676)	249 602 298	65.98	(12.02)
Expenditure By Type							
Employee related costs	529 439 654	128 562 246	381 584 195	397 079 741	15 495 546	72.07	3.90
Remuneration of councillors	25 138 051	6 322 703	17 760 584	18 853 538	1 092 954	70.65	5.80
Contributions	372 022 590	91 880 648	275 641 943	279 016 943	3 375 000	74.09	1.21
Depreciation & asset impairment	476 888 007	39 411 967	275 883 767	357 666 005	81 782 239	57.85	22.87
Finance charges	1 418 861	2 206 123	7 062 986	1 064 146	(5 998 841)	497.79	(563.72)
Bulk purchases	811 802 286	186 048 902	510 169 678	608 851 715	98 682 037	62.84	16.21
Repairs & Maintenance	111 394 829	23 403 200	56 986 054	83 546 122	26 560 068	51.16	31.79
Contracted services	46 647 745	7 557 472	21 395 482	34 985 809	13 590 327	45.87	38.85
Collection Costs	13 558 025	612 157	10 283 780	10 168 519	(115 261)	75.85	(1.13)
Other expenditure	438 308 954	114 105 732	358 039 862	328 731 716	(29 308 146)	81.69	(8.92)
Departmental charges	26 811 998	7 372 342	22 337 404	20 108 999	(2 228 406)	83.31	(11.08)
Internal recoveries (amount charge out)	-	-	(9 606)	-	9 606	-	-
Total Expenditure	2 853 431 000	607 483 491	1 937 136 128	2 140 073 250	202 937 122	67.89	9.48
(Surplus)/Deficit	85 184 766	8 443 240	110 553 750	63 888 575	46 665 176		
TOTAL REVENUE	(2 768 246 234)	(599 040 251)	(1 826 582 378)	(2 076 184 676)	(249 602 298)	65.98	12.02
LESS REVENUE FOREGONE	217 674 132	21 262 660	69 588 198	163 255 599	93 667 401	31.97	57.37
Income forgone on assessment rate	64 190 148	15 374 215	60 300 923	48 142 611	(12 158 312)	93.94	(25.25)
Income forgone on other	153 483 984	5 888 444	9 287 276	115 112 988	105 825 712		
TOTAL INCOME	(2 550 572 102)	(577 777 591)	(1 756 994 180)	(1 912 929 077)	(155 934 897)	68.89	8.15
Total expenditure after deduct rever	2 635 756 868	586 220 831	1 867 547 930	1 976 817 651	109 269 721	70.85	5.53
TOTAL EXPENDITURE	2 853 431 000	607 483 491	1 937 136 128	2 140 073 250	202 937 122	67.89	9.48
Revenue foregone	(217 674 132)	(21 262 660)	(69 588 198)	(163 255 599)	(93 667 401)	31.97	57.37
(Surplus)/ Deficit for the year	302 858 898	8 443 240	110 553 750	63 888 575	(46 665 176)	36.50	21.10

OPERATING INCOME PER DEPARTMENT, AS AT MARCH 2017

DESCRIPTION	ADJUSTED	3rd Quarter 16/17	YTD ACTUAL	YTD BUDGET	VARIANCE	VARIANCE	YTD %
Public safety	96 180 416	19 749 769	52 462 779	72 135 312	(19 672 533)	-27.27	54.55
Health service	318 000	2 921	35 165	238 500	(203 335)	-	11.06
Community services	218 458 879	36 750 002	114 410 552	163 844 159	(49 433 608)	-30.17	52.37
Sports	2 238 260	327 828	1 093 118	1 678 695	(585 577)	-34.88	48.84
Housing	2 166 080	338 403	958 907	1 624 560	(665 653)	-40.97	44.27
Council general	3 286 000	404 739	1 508 664	2 464 500	(955 836)	-38.78	45.91
Civil Engineering	772 799 736	140 266 726	446 215 944	579 599 802	(133 383 858)	-23.01	57.74
Electrical engineering	891 329 020	193 641 452	565 493 948	668 496 765	(103 002 817)	-15.41	63.44
Corporate services	4 583 350	64 603	138 041	3 437 513	(3 299 471)	-95.98	3.01
Finance	539 225 890	182 436 023	560 565 451	404 419 418	156 146 033	38.61	103.96
Market	19 980 890	4 644 027	14 109 462	14 985 668	(876 206)	-5.85	70.61
LED	5 581	1 250	2 150	4 186	(2 036)	-	38.52
TOTAL	2 550 572 102	577 777 591	1 756 994 180	1 912 929 077	(155 934 896)	-8.15	68.89

OPERATING EXPENDITURE PER DEPARTMENT

DESCRIPTION	ADJUSTED	3rd Quarter 2016/17	YTD ACTUAL	YTD BUDGET	VARIANCE	VARIANCE	YTD %
Public safety	203 295 430	33 237 924	158 809 646	152 471 573	6 338 074	4.16	78.12
Health service	11 023 939	1 282 540	6 683 142	8 267 954	(1 584 812)	-19.17	60.62
Community services	162 267 658	41 182 527	108 058 565	121 700 744	(13 642 179)	-11.21	66.59
Sports	107 890 796	16 274 101	68 804 144	80 918 097	(12 113 953)	-14.97	63.77
Housing	11 360 610	2 278 272	7 211 028	8 520 458	(1 309 430)	-15.37	63.47
Council general	132 540 070	30 498 442	80 422 672	99 405 053	(18 982 380)	-19.10	60.68
Civil Engineering	798 881 262	144 068 817	473 408 367	599 160 947	(125 752 579)	-20.99	59.26
Electrical engineering	783 670 138	161 661 433	495 010 952	587 752 604	(92 741 651)	-15.78	63.17
Corporate services	62 423 459	11 354 235	42 674 414	46 817 594	(4 143 181)	-8.85	68.36
Finance	547 514 383	137 920 155	407 117 223	410 635 787	(3 518 564)	-0.86	74.36
Market	22 695 099	4 744 837	14 434 176	17 021 324	(2 587 148)	-15.20	63.60
LED	9 868 156	1 717 547	4 913 602	7 401 117	(2 487 515)	-33.61	49.79
TOTAL	2 853 431 000	586 220 831	1 867 547 931	1 976 817 651	(109 269 720)	-5.53	65.45
Surplus/Deficit	(302 858 898)	(8 443 240)	(110 553 750)	(63 888 575)	(46 665 176)	-	-

GRANTS AND SUBSIDIES - MARCH 2017
Operational allocation/grant received

Equitable shares grants
Finance Management Grant
Improvement of library services
Museum/Grant research and developme
PMU
EPWP (arbour week)

BUDGET	ADJUSTED	3rd Quarter Received	YTD RECEIVED	YTD%
342 855 000	342 855 000	87 514 000	341 212 000	99.52
1 810 000	1 810 000	-	1 810 000	100.00
1 100 000	1 100 000	700 000	1 100 000	100.00
250 000	250 000	-	250 000	100.00
3 598 100	3 598 100	3 598 100	3 598 100	100.00
1 658 000	1 658 000	497 000	1 656 000	99.88
351 271 100	351 271 100	92 309 100	349 626 100	99.53
79 193 900	79 193 900	14 581 900	79 193 900	100.00
26 052 000	35 325 000	17 251 000	35 325 000	100.00
16 800 000	16 800 000	2 800 000	10 800 000	64.29
12 000 000	-	-	-	-
570 000	570 000	570 000	570 000	100.00
134 615 900	131 888 900	35 202 900	125 888 900	95.45

CAPITAL GRANT RECEIVED

MIG
NDPG
DME/INER
PIG-SEWER
PMU

ANNEXURE B
Cash Flow Statement for the month of March 2017

Cash Receipts by Source	January 2017	February 2017	March 2017
Property rates	17 291 313	18 155 422	19 258 553
Service charges - electricity revenue	44 538 889	41 020 217	50 602 274
Service charges - water revenue	19 165 578	16 798 501	20 199 505
Service charges - sanitation revenue	4 626 454	4 407 867	5 433 263
Service charges - refuse revenue	4 163 369	399 063	4 663 620
Service charges - other	17 067 320	196 927 52	21 106 530
Rental of facilities and equipment	150 621	148 884	215 180
Interest earned - external investments	8 828	7 915	5 656
Interest earned - outstanding debtors	-	-	-
Fines	83 624	46 128	174 485
Licences and permits	563 180	548 475	624 837
Transfer receipts - operational grants	700 000	497 000	91 112 100
Other revenue	6 364 789	26 399 488	18 063 542
Cash Receipts by Source	114 723 965	128 121 712	231 459 545
Transfer receipts - capital grants	-	-	35 202 900
Proceeds on disposal of PPE	-	-	-
Total Cash Receipts by Source	114 723 965	128 121 712	266 662 445
Proceeds on disposal of PPE	-	-	-
Short term loan	-	-	-
Borrowing long term/ Refinancing	(151 163)	(175 945)	(3 071 916)
Increase (decrease) in consumer deposits	262 427	(3 985 549)	69 205
Decrease (increase) in non - current debtors	-	-	-
Decrease (increase) in non - current	-	-	-
Decrease (increase) in non- current investment	2 090	2 097	2 104
Total Cash Receipts by Source	114 837 319	123 962 315	263 661 838
Cash Payments by Type			
Employee related costs	41 286 091	42 598 354	44 677 800
Remuneration of councillors	2 107 568	2 107 568	2 107 568
Collection costs	-	-	-
Interest paid	240 249	215 468	1 750 407
Bulk purchases - Electricity	44 785 586	44 442 905	32 373 627
Bulk purchases - Water	22 373 525	30 703 262	23 665 192
Repairs and maintenance	1 769 887	3 111 848	5 516 640
Contracted services	2 346 756	2 175 985	2 939 032
General expenses	18 615 540	32 771 064	44 966 835
Cash Payments by Type	133 525 202	158 126 454	157 997 101
Other Cash Flows/Payments by Type			
Capital assets	23 057 182	10 732 141	5 143 772
Repayment of borrowing	391 412	391 412	4 822 323
Other Cash Flows/Payments	23 448 594	11 123 553	9 966 095
Investment			
	-	-	-
Total Cash Payments by Type	156 973 796	169 250 007	167 963 196
Net increase/(decrease) in cash held	(42 136 477)	(45 287 692)	95 698 642
Cash/ cash equivalent at the month begin	143 247 015	101 110 538	55 822 846
Cash/ cash equivalent at the month end	101 110 538	55 822 846	151 521 489

ANNEXURE C CAPITAL EXPENDITURE

NW403 City Of Matlosana - Budgeted Capital Expenditure - March 2017

	Adjusted Budget	3rd Quarter 2016/17	YTD Actual	YTD Budget	Variance	YTD %
Capital Expenditure						
Council General	7 300 000	1 522 351	2 371 090	5 475 000	(3 103 910)	32.48
Council General Admin	7 300 000	1 522 351	2 371 090	5 475 000	(3 103 910)	32.48
Municipal & Environmental Services	10 280 231	-	822 801	7 710 173	(6 887 372)	8.00
Community and social services		-	-	-	-	-
Sport and recreation	9 193 650	-	822 801	6 895 238	(6 072 437)	8.95
Refuse removal		-	-	-	-	-
Public Safety	386 581	-	-	289 936	(289 936)	-
Health		-	-	-	-	-
Cemetery	700 000	-	-	525 000	(525 000)	-
Finance	5 000 000	-	-	3 750 000	(3 750 000)	-
ICT Hard/software	5 000 000	-	-	3 750 000	(3 750 000)	-
Macro city planning & Development	4 624 300	1 572 581	2 890 236	3 468 225	(577 989)	62.50
Market	4 624 300	1 572 581	2 890 236	3 468 225	(577 989)	62.50
Civil Services & Human Settlement	98 732 872	17 265 675	52 770 528	74 049 654	(21 279 126)	53.45
Water	27 491 330	2 688 348	8 347 633	20 618 498	(12 270 865)	30.36
Waste water management(Sewer)	19 242 929	5 878 801	9 732 669	14 432 197	(4 699 528)	50.58
Roads	51 998 613	8 698 526	34 690 226	38 998 960	(4 308 733)	66.71
ousing		-	-	-	-	-
PMU Unit		-	-	-	-	-
Dumping side		-	-	-	-	-
Electrical & Mechanical Engineering	53 074 149	18 796 357	23 100 013	39 805 612	(16 705 599)	43.52
Electrical	53 074 149	18 796 357	23 100 013	39 805 612	(16 705 599)	-
Total Capital Expenditure	179 011 552	39 156 964	81 954 667	134 258 664	(52 303 997)	45.78

CAPITAL FUNDING

National government	126 211 552	18 991 162	60 940 128	94 658 664	(33 718 536)	48.28
Provincial government			-	-	-	-
District municipality			-	-	-	-
Borrowing			-	-	-	-
Internal Generated funds	52 800 000	20 165 800	21 014 539	39 600 000	(18 585 461)	39.80
Financing Total	179 011 552	39 156 963	81 954 667	134 258 664	(52 303 997)	45.78

ANNEXURE D
DEBTOR'S AGE ANALYSIS - MARCH 2017

Detail	0 - 30 Days	31 - 60 Days	61 - 90 Days	91 + 120 Days	Total -
Debtors Age Analysis By Income Source					
Water Tariffs	36 473 706	28 105 959	21 604 527	626 848 855	713 033 047
Electricity Tariffs	42 378 027	11 197 923	7 612 522	167 879 351	229 067 823
Rates (Property Rates)	18 497 001	5 193 874	4 105 297	143 966 745	171 762 917
Sewerage/ Sanitation	7 454 971	4 498 190	4 147 581	117 135 846	133 236 588
Refuse Removal Tariffs	9 595 925	6 873 019	6 617 837	196 296 067	219 382 848
Other	31 426 838	24 169 048	21 305 157	683 333 021	760 234 064
Total By Income Source	145 826 468	80 038 013	65 392 921	1 935 459 885	2 226 717 287
Debtors Age Analysis By Customer Group					
Government	4 346 072	1 325 099	1 212 708	52 003 609	58 887 488
Business	42 213 269	12 915 858	9 186 413	208 724 939	273 040 479
Households	98 610 046	65 244 502	54 430 054	1 630 441 502	1 848 726 104
Other	657 081	552 553	563 746	44 289 834	46 063 214
Total By Customer Group	145 826 468	80 038 013	65 392 921	1 935 459 885	2 226 717 287

ANNEXURE D
DEBTOR'S AGE ANALYSIS - FEBRUARY 2017

Detail	0 - 30 Days	31 - 60 Days	61 - 90 Days	91 + 120 Days	Total
Debtors Age Analysis By Income Source					
Water Tariffs	41 523 332	24 827 156	25 003 068	612 569 322	703 922 878
Electricity Tariffs	48 337 668	15 004 869	7 360 898	166 020 129	236 723 564
Rates (Property Rates)	19 654 544	5 608 765	5 896 749	147 335 956	178 496 014
Sewerage/ Sanitation	7 975 050	4 988 528	4 499 315	115 137 798	132 600 691
Refuse Removal Tariffs	9 963 121	7 269 086	7 042 762	191 863 887	216 138 856
Other	33 197 516	23 437 130	22 428 856	671 852 281	750 915 783
Total By Income Source	160 651 231	81 135 534	72 231 648	1 904 779 373	2 218 797 786
Debtors Age Analysis By Customer Group					
Government	4 219 275	3 662 535	1 791 175	58 244 664	67 917 649
Business	47 524 990	15 610 685	8 390 275	207 385 762	278 911 712
Households	107 903 118	61 272 353	61 428 058	1 594 456 473	1 825 060 002
Other	1 003 847	589 961	622 138	44 692 474	46 908 420
Total By Customer Group	160 651 231	81 135 534	72 231 648	1 904 779 373	2 218 797 786

ANNEXURE E
OUTSTANDING CREDITORS STATEMENT - MARCH 2017

Detail	0 - 30 Days	31 - 60 Days	61 - 90 Days	91 - 120 Days	121 +Days	Total
Bulk Electricity	64 909 924	-	-	-	54 269 816	119 179 740
Bulk Water	26 554 621	-	-	-	79 278 361	105 832 982
Auditor General	137 534	55 431	857 762	-	1 224 109	2 274 836
Trade Creditors	62 970 579	17 801 626	18 087 250	149 857 120	-	248 716 575
Total	154 572 658	17 857 057	18 945 012	149 857 120	134 772 286	476 004 133

ANNEXURE E
OUTSTANDING CREDITORS STATEMENT - FEBRUARY 2017

Detail	0 - 30 Days	31 - 60 Days	61 - 90 Days	91 - 120 Days	121 +Days	Total
Bulk Electricity	36 905 935	-	-	-	119 179 740	156 085 675
Bulk Water	24 422 348	-	24 601 369	21 936 544	2 576 507	73 536 768
Auditor General	-	857 762	1 629 369	1 354 825	1 434 009	5 275 965
Trade Creditors	39 723 805	16 367 010	10 190 272	124 126 612	-	190 407 699
Total	101 052 088	17 224 772	36 421 010	147 417 981	123 190 256	425 306 107

ANNEXURE F

Investment Portfolio: 31 March 2017
City of Matlosana

INSTITUTION	INTEREST RATE	PERIOD	FEBRUARY 2017	MARCH 2017	MATURITY DATE	EXPLANATION
Call Investment						
ABSA: 3854	3.30%		5 152 056.53	19 228 155.28		
ABSA: 5047	3.25%		45 188.76	45 351.69		
ABSA: 6177	4.47%		389 112.51	391 102.37		
ABSA: 2264	3.25%		5 761 305.26	5 782 077.53		
ABSA: 4682	5.15%		7 304 920.36	22 782 331.74		
ABSA: 4063	2.80%		171 419.49	171 623.31		
ABSA: 1223	5.50%		24 577 150.04	94 325 912.54		
INVESTEC	5.80%		5 459 116.20	5 490 644.47		
TOTAL Call Investment			48 860 269.15	148 217 198.93		
Collateral						
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
TOTAL			27 692 322.00	27 692 322.00		
Long Term Investment						
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
TOTAL			99 413.28	99 413.28		
TOTAL INVESTMENTS			76 652 004.43	176 008 934.21		

Withdraw R1 466 221 from ABSA call (MIG) - 02 March 2017
 Withdraw R25 641 from ABSA call (MIG) - 02 March 2017
 Withdraw R1 813 022 from ABSA call (NDPG) - 02 March 2017
 Withdraw R4 500 00 from ABSA call - 06 March 2017
 Withdraw R2 323 070 from ABSA call (MIG) - 10 March 2017
 Invest R17 251 000 with ABSA on call (NDPG) - 17 March 2017
 Invest R90 000 000 with ABSA on call - 17 March 2017
 Invest R18 750 000 with ABSA on call (MIG) - 23 March 2017
 Withdraw R881 680 from ABSA call (MIG) - 24 March 2017
 Withdraw R10 000 000 from ABSA call - 24 March 2017
 Withdraw R6 000 000 from ABSA call - 31 March 2017

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 31 March 2017

Borrowing Reference No	Purpose	% Interest Rate (2 dec) Per Annum	Interest Paid This quarter	Opening Balance 01/07/2016	Debt Repaid or Re-deemed	Additional Principal Accrued	Balance at 31/03/2017	Reconciliation 30/6/18
ANNUITY LOANS								
NW11182	Provision of Infrastructure	15	188 818.07	1 682 281.28	887 031.89	0.00	888 249.39	887 453.21
NW12327	Provision of Infrastructure	15.25	348 874.76	2 809 800.00	888 128.90	0.00	1 813 877.10	888 128.90
NW1287471	Provision of Infrastructure	15.6	316 709.44	3 116 317.26	388 211.94	0.00	1 780 005.32	388 211.94
NW1387475	Combination	14.75	120 857.24	1 868 688.66	277 777.77	0.00	1 388 888.88	488 888.88
NW1312371	Combination	14.75	144 483.01	14 998 328.00	0.00	0.00	14 898 328.00	488 888.88
NW1312372	Combination	11.2	648 118.17	8 728 708.89	1 408 878.14	0.00	8 320 830.75	2 888 350.95
NW1328771	Provision of Infrastructure	14.75	2 148 088.88	13 188 320.83	1 788 188.87	0.00	10 411 724.86	3 622 888.88
10888	Provision of Infrastructure	16	488 871.81	3 387 288.23	1 678 188.87	0.00	2 808 888.88	1 888 488.88
10892	Provision of Infrastructure	16.25	303 652.86	2 118 124.24	487 888.88	0.00	1 820 874.49	1 878 388.88
10893	Provision of Infrastructure	16.25	448 683.22	3 128 016.64	728 038.23	0.00	1 813 332.45	487 888.88
10893	Provision of Infrastructure	16.25	348 672.89	2 408 142.27	888 488.36	0.00	1 828 879.41	728 038.23
TOTAL ANNUITIES			7 082 888.48	83 428 080.20	10 448 107.43	0.00	72 877 883.07	14 881 840.33

Template for Calculation of Uniform Financial Ratios and Norms

RATIO	FORMULA	Mar-17		MUNICIPAL COMMENTS (A)
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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	1 867 547 930 81 954 667	4%	The ratio will increasing as capital expenditure accelerates.
		0		

C. Liquidity Management

1 Current Ratio	Current Assets / Current Liabilities	597 625 891 746 983 954	0.80	The councils assets cover its liabilities by 80%.
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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	0.003781957 7 062 986	0.0038	This do not indicate the capacity for further borrowing, rather the precorious situation where we cant afford the risk of commitment due to cashflow constraints.
		1 867 547 930		
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	0.036595757 72 977 983 2 111 255 503	0.037	
		117 090 367		

2. FINANCIAL PERFORMANCE

1 Net Operating Surplus Margin	(Total Operating Revenue - Total Operating Expenditure)/Total Operating Revenue	2 111 255 503 1 867 547 930	0.1154	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	86.79235501 476 004 133 2 001 806 594	86.79	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	0.222716254 415 933 279 1 867 547 930	0.22 Below NT norm
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2 Contracted Services % of Total Operating Expenditure	Contracted Services / Total Operating Expenditure x100	0.011456456 21 395 482 1 867 547 930	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	25.64166279 0 21 014 539 81 954 667	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	0.46 1 756 994 180 949 013 543 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	0.46 81 954 667 179 011 552	0.46 Should be at 75%.
2 Operating Expenditure Budget Implementation Indicator	Actual Operating Expenditure / Budgeted Operating Expenditure x 100	0.94 1 867 547 930 1 976 817 651	0.94
3 Operating Revenue Budget Implementation Indicator	Actual Operating Revenue / Budget Operating Revenue x 100	0.92 1 756 994 180 1 912 929 077	0.92