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QUARTERLY REPORT: APRIL - JUNE 2017

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

The financial results for the period ended 30 June 2017 are summarized as follows:

Statement of Financial Performance (SFP)

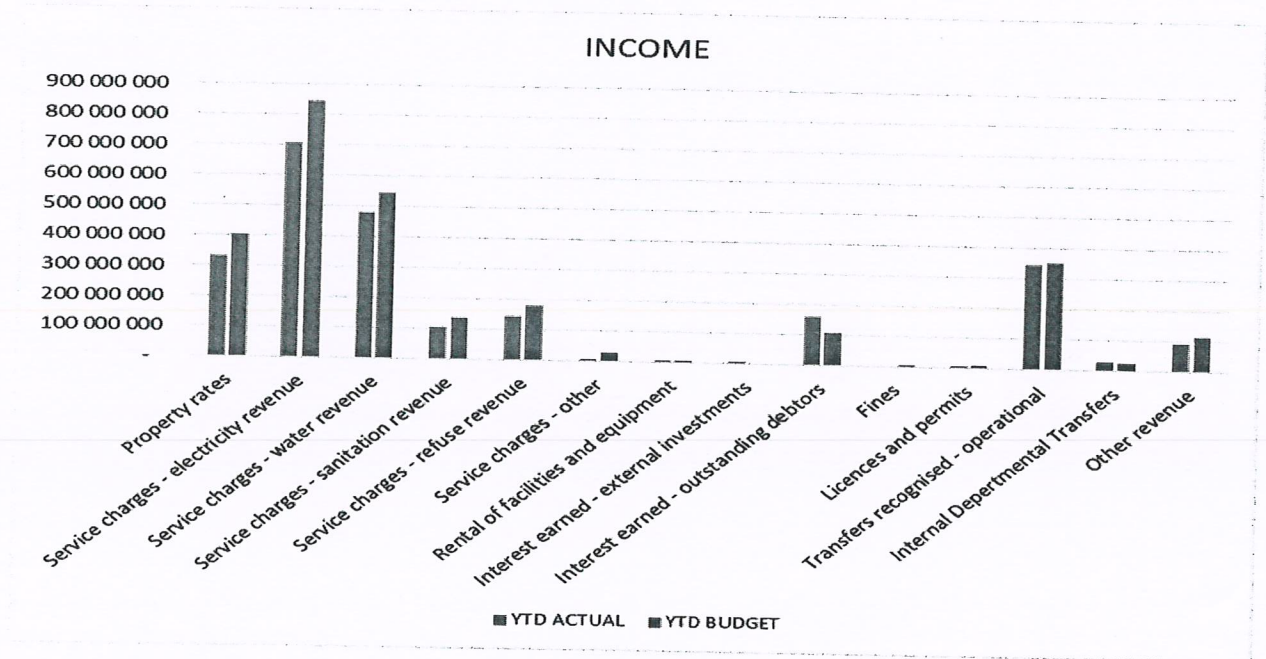
The SFP shown in Annexure A is prepared on a similar basis to the prescribed budget format, detailing revenue by source type and expenditure by category.

The summary report indicates the following:

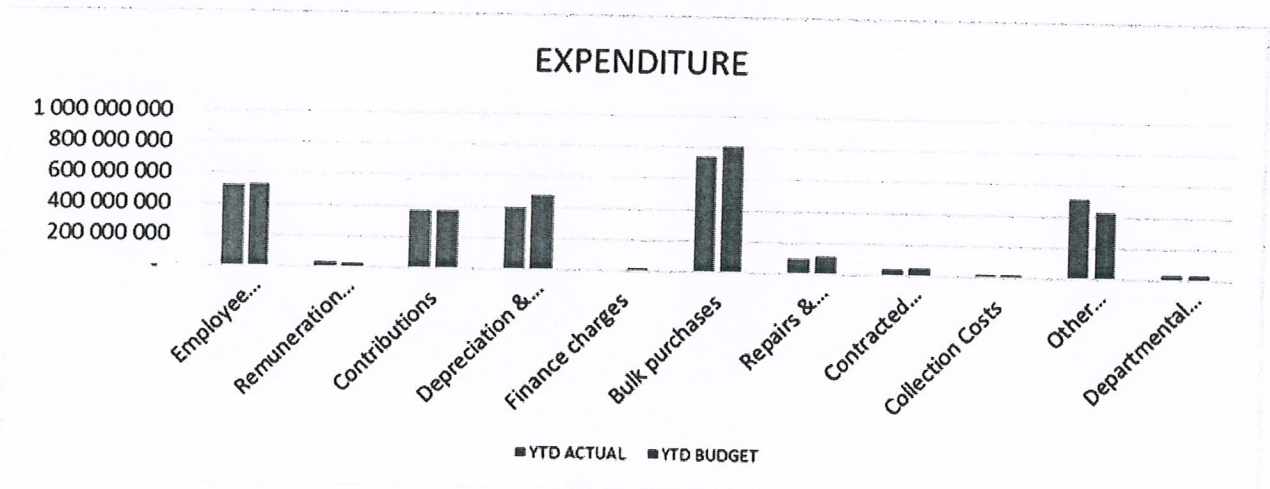
Summary statement of Financial Performance				
Description	YTD Budget 2016/17	4th QUARTER ACTUAL 2016/17	YTD Actual 2016/17	Variance (Favourable) Unfavourable
Total Revenue By Source	(2,550,572,102)	(588,043,066)	(2,345,092,188)	(205,479,914)
Total Operating Expenditure	2,635,756,868	794,887,163	2,662,435,093	(26,678,225)
(SURPLUS)/ DEFICIT	85,184,766	206,844,097	317,342,905	(232,158,139)

- The total operational income is less than anticipated, due to the following:
- Interest on outstanding debtors – shows high percentage of 149 due to the debtor's book that is escalating.
- Fine – shows less percentage of 18, is still a challenges on collection.
- The total operational expenditure is high for the month of June, due to the non- cash item of depreciation which amounts to R118.2 million.
- Bad debts written off amounts to R11.9 million.

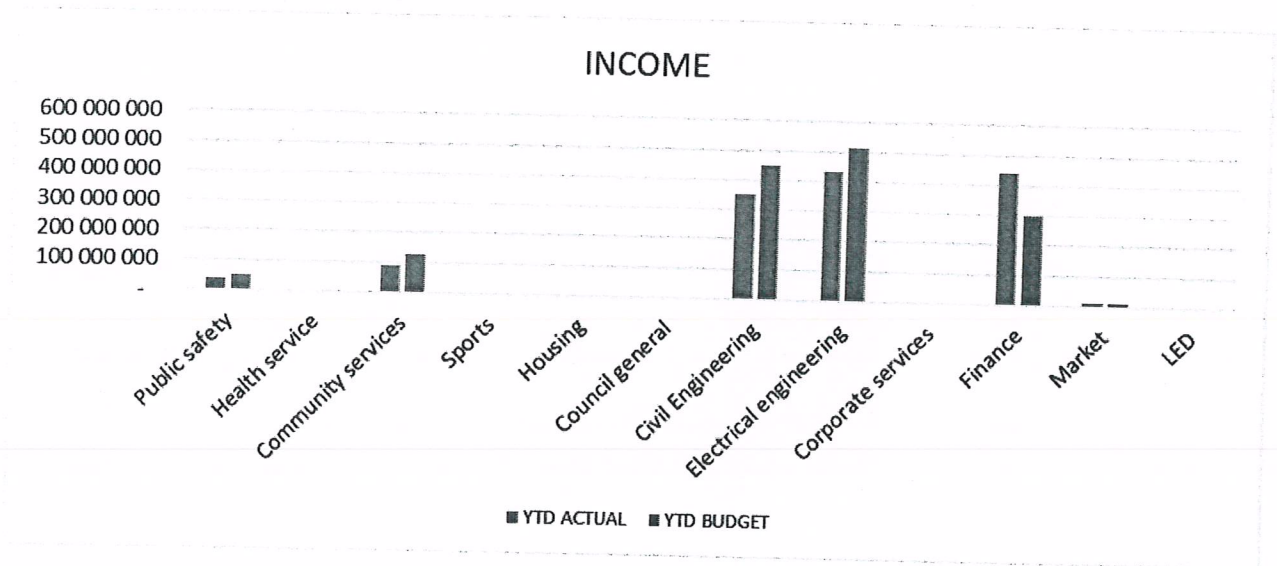
YTD Actual Income vs YTD Budget Income



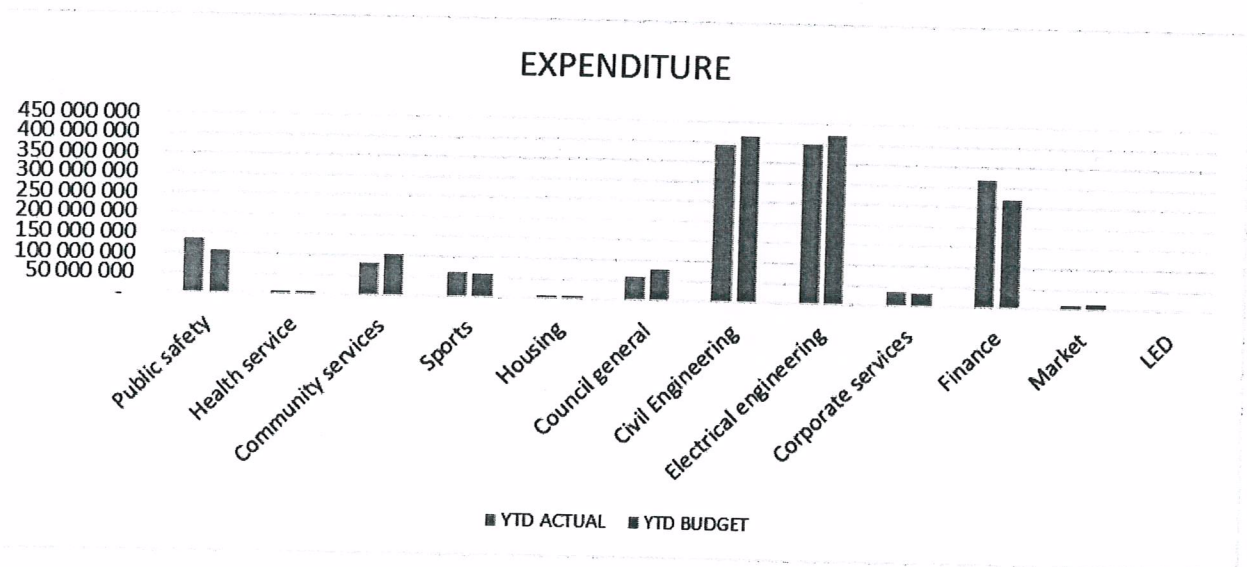
YTD Actual Expenditure vs YTD Budget Expenditure



Operating Income per department



Operating Expenditure per department



GRANTS AND SUBSIDIES

Operational allocation/ Grant received

DESCRIPTION	BUDGET 2016/17	4th QUARTER RECEIVED 2016/17	YTD ACTUAL RECEIVED 2016/17	YTD%
Equitable shares grants	342,855,000	0	341,212,000	99.52%
Finance Management grant	1,810,000	0	1,810,000	100%
Improvement of Library services	1,100,000	0	1,100,000	100%
Museum/ Grant research and development	250,000	0	250,000	100%
PMU	3,598,100	0	3,598,100	100%
EPWP	1,658,000		1,656,000	99.88%
TOTAL	351,271,100	0	349,626,100	99.53%

Operational Grant spending

DESCRIPTION	BUDGET 2016/17	4th Quarter Spending 2016/17	YTD ACTUAL 2016/17	YTD%
Equitable shares grants	342,855,000	84,481,500	341,622,750	99.64%
Finance Management grant	1,810,000	1,070,123	1,615,059	89%
Improvement of Library services	1,100,000	755,520	922,973	84%
Museum/ Grant research and development	250,000	244,564	249,979	100%
PMU	3,598,100	613,952	2,706,910	81%
EPWP	1,658,000	0	1,653,277	99%
TOTAL	351,271,100	87,165,659	347,316,948	99%

CAPITAL GRANT RECEIVED

DESCRIPTION	BUDGET	4 TH Quarter RECEIVED 2016/17	YTD ACTUAL RECEIVED	YTD%
MIG	79,193,900	0	79,193,900	100%
NDPG	35,325,000	0	35,325,000	100%
INEP	10,800,000	0	10,800,000	100%
PMU	570,000	0	570,000	100%
PIG -SEWER	0	0	0	0
TOTAL	125,888,900	0	125,888,900	100%

- The PIG – Sewer funds was approved by the Departmental Local Government and Settlement to assist City of Matlosana in dealing with the further upgrading of mechanical and electricity components of the twenty (20) megalitres waste water plant, Orkney during 2016/17 financial year.
- Due to the dilapidated components mentioned above, the plant's capacity was reduced to barely ten (10) megalitres and needed urgent upgrading.

PAYMENTS

Payment were done by the Department of Local Government and Human Settlements every time the invoice was sent to them and they paid R12 million. The grant wasn't paid directly to the municipality.

DESCRIPTION	BUDGET	4 th Quarter SPENDING 2016/17	YTD ACTUAL	YTD%
NDPG	35,325,000	17,071,157	35,296,851	100%
INEP	10,800,000	7,595,586	9,592,390	89%
PMU	570,000	228,871	238,875	42%

Cash Flow Statement (Annexure B)

- Total cash receipts by source reflect an amount of R322.7 million, for the month of June 2017.
- Total cash payments indicate an amount of R 329 million for the month of June 2017.

Capital expenditure report (Annexure C)

The summary report indicates the following:

Summary statement of Capital Expenditure				
Description	YTD Budget	4th Quarter 2017	YTD Actual	Variance Favourable (Unfav)
Total Capital Expenditure	164,093,923	60,293,330	142,247,997	(21,845,925)
Capital funding				
National government	126,211,552	56,301,798	118,981,177	1,548,003
Provincial Government	-	-	-	-
District Municipality	-	-	-	-
Borrowing	-	-	-	-
Internal Generated fund	52,800,000	3,991,533	52,800,000	(23,393,928)
Financial Total	164,093,923	60,293,331	142,247,997	(21,845,925)

- Capital spending of 79.46% is lower than the 100% pro-rata.

MIG Spending

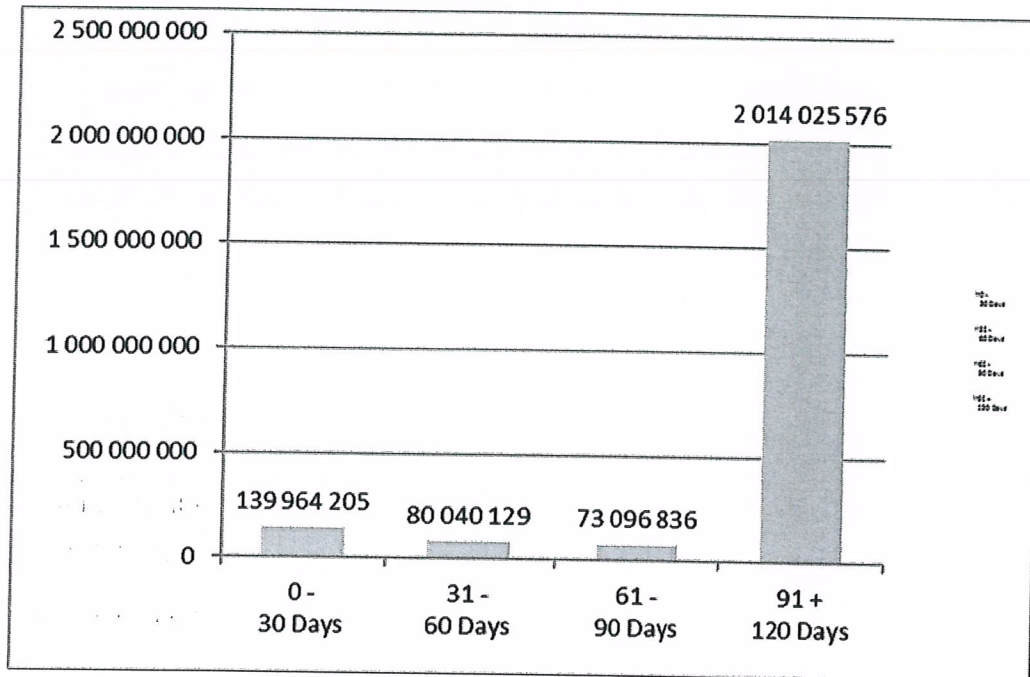
BUDGET	4th Quarter RECEIVED	SPENDING YTD	YTD RECEIVED	%SPENDING
79,193,900	0	75,601,623	79,193,900	95.46%

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 2017 amounts to R 2.167 billion.

A detailed Age Analysis is on annexure D.

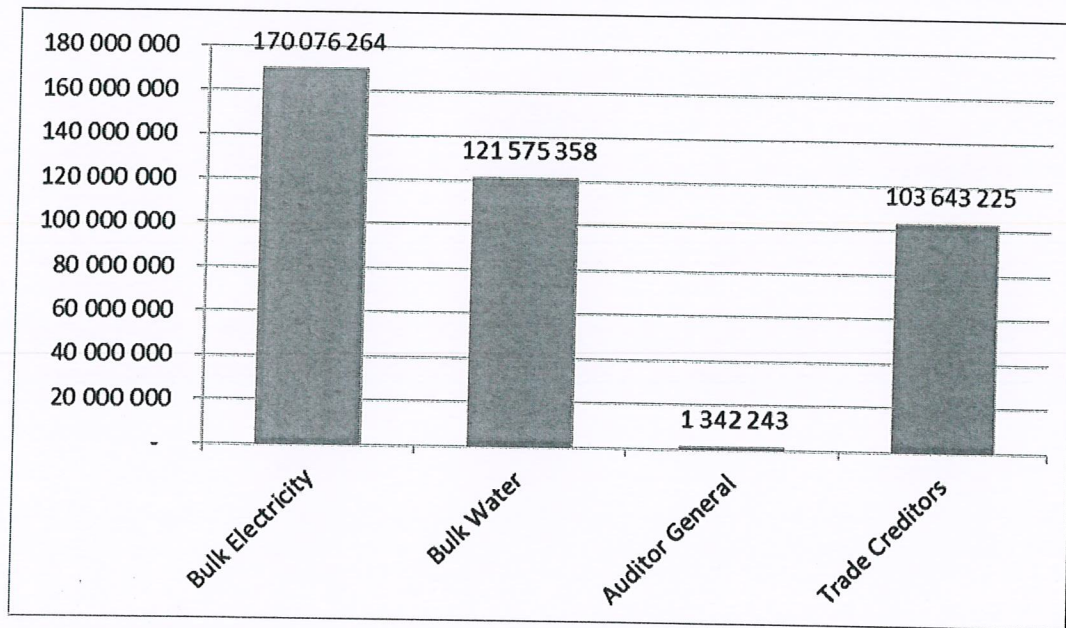
Debtors by Customer group – 30 June 2017



- Debtors' book has increased by R39 million as compared to the previous month.
- Council currently has a 120-day plan in operation to reduce the outstanding debt and Top Management is currently investigating ways to request Eskom to assist with the collections.

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 creditors has decreased by R 39.4 million compared to the previous month.

Investment Portfolio (Annexure F)

The table indicates the status of the investment portfolio which amounts to **R 87,119,889** as at 30 June 2017.

	Investments				
	Fixed	Call	Long Term	Collateral	Total
	R	R	R	R	R
Institution					
ABSA		51,377,190			51,377,190
FNB			99,413		99,413
Investec		5,584,257			5,584,257
Nedcor				21,697,304	21,697,304
Sanlam (Policy)	8,361,725				8,361,725
	8,361,725	56,961,447	99,413	21,697,304	87,119,889

ANNEXURE G (BORROWINGS)

The total amount outstanding on external loans at the end of June 2017 amount to R68,858,450.39

ANNEXURE I

RATIOS

FINANCIAL IMPLICATIONS

The report covers the period from 1 July 2016 to 31 June 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 2,345 billion is less than projected of R 2,551 billion YTD budget (Pro-rata) and vary by R 205.5 million.

Year to date actual expenditure of R 2,662 billion is more than projected expenditure of R 2,635 billion YTD budget (Pro-rata) and vary by R 26,7 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 2017
Current Year 2016/17

Description	Adjusted Budget	April Actual	May 2016/17	June Actual	Fourth quarter	YTD ACTUAL	YTD BUDGET	Variance	YTD %	Variance%
Revenue By Source										
Property rates	(402 854 889)	(14 714 163)	(24 595 821)	(24 449 345)	(63 759 329)	(331 590 724)	-402 854 889	71 264 165	82,31	(17,89)
Service charges - electricity revenue	(846 167 442)	(55 177 366)	(53 353 763)	(51 032 459)	(159 563 588)	(706 774 446)	-846 167 442	139 392 996	83,53	(16,47)
Service charges - water revenue	(545 280 756)	(37 669 280)	(42 169 907)	(35 939 584)	(115 778 771)	(481 245 706)	-545 280 756	64 035 050	88,26	(11,74)
Service charges - sanitation revenue	(139 240 341)	(7 665 514)	(8 949 464)	(8 915 392)	(25 530 371)	(107 694 184)	-139 240 341	31 546 157	77,34	(22,66)
Service charges - refuse revenue	(179 039 257)	(11 961 723)	(11 945 023)	(11 931 162)	(35 837 908)	(145 240 843)	-179 039 257	33 798 414	81,12	(18,88)
Service charges - other	(29 408 463)	(1 119 898)	(784 021)	(429 814)	(2 333 733)	(6 976 724)	-29 408 463	22 431 739	23,72	-
Rental of facilities and equipment	(6 934 038)	(401 399)	(413 700)	(409 433)	(1 224 532)	(5 744 526)	-6 934 038	1 189 512	82,85	(17,15)
Interest earned - external investment	(2 108 000)	29 000	(261)	(4 999 632)	(4 970 893)	(7 498 714)	-2 108 000	(5 390 714)	355,73	255,73
Interest earned - outstanding debtors	(108 765 332)	(14 208 264)	(16 860 020)	(15 481 143)	(46 549 428)	(162 056 925)	-108 765 332	(53 291 593)	149,00	49,00
Fines	(7 086 098)	(276 861)	(176 475)	49 161	(404 175)	(1 343 121)	-7 086 098	5 742 977	18,95	(81,05)
Licences and permits	(7 700 637)	(527 237)	(631 928)	(674 857)	(1 834 022)	(7 477 734)	-7 700 637	222 903	97,11	(2,89)
Transfers recognised - operational	(351 271 100)	-	-	(114 800 889)	(114 800 889)	(345 649 032)	-351 271 100	5 622 068	98,40	(1,60)
Internal Departmental Transfers	(25 122 023)	(2 571 340)	(2 461 142)	(2 513 305)	(7 545 787)	(29 390 610)	-25 122 023	(4 268 587)	116,99	16,99
Other revenue	(117 267 858)	(6 679 767)	(7 389 737)	(12 387 473)	(26 456 977)	(94 544 430)	-117 267 858	22 723 428	80,62	(19,38)
Gains on disposal of PPE	-	-	-	-	-	-	0	-	-	-
Total Revenue	(2 768 246 234)	(152 943 812)	(169 731 263)	(283 915 327)	(606 590 402)	(2 433 227 722)	(2 768 246 234)	335 018 512	87,90	(12,10)
Expenditure By Type										
Employee related costs	529 439 654	43 181 365	43 522 423	51 517 802	138 221 590	519 805 785	529 439 654	9 633 869	98,18	1,82
Remuneration of councillors	25 138 051	6 073 050	2 515 169	2 515 800	11 104 019	28 864 603	25 138 051	(3 726 552)	114,82	(14,82)
Contributions	372 022 590	30 626 883	30 626 883	30 626 883	91 880 648	367 522 591	372 022 590	4 500 000	98,79	1,21
Depreciation & asset impairment	476 888 007	-	-	118 235 900	118 235 900	394 119 667	476 888 007	82 768 340	82,64	17,36
Finance charges	14 180 861	227 991	234 351	1 471 906	1 934 248	8 997 234	14 180 861	5 183 627	63,45	36,55
Bulk purchases	811 802 286	63 416 296	131 633 036	41 717 050	236 766 381	746 936 059	811 802 286	64 866 227	92,01	7,99
Repairs & Maintenance	111 394 829	9 403 842	10 086 124	17 011 982	36 501 947	93 488 002	111 394 829	17 906 827	83,92	16,08
Contracted services	46 647 745	3 965 085	3 021 498	7 606 242	14 592 826	35 988 307	46 647 745	10 659 438	77,15	22,85
Collection Costs	13 558 025	1 372 114	996 969	345 720	2 714 803	12 998 583	13 558 025	559 442	95,87	4,13
Other expenditure	425 546 954	50 155 981	39 725 370	64 067 397	153 948 748	511 988 609	425 546 954	(86 441 655)	120,31	(20,31)
Departmental charges	26 811 998	2 573 414	2 457 555	2 525 578	7 556 547	29 893 951	26 811 998	(3 081 953)	111,49	(11,49)
Internal recoveries (amount charge out)	-	-	-	(23 158)	(23 158)	(32 764)	-	32 764	-	-
Total Expenditure	2 853 431 000	210 996 019	264 819 378	337 619 102	813 434 499	2 750 570 627	2 853 431 000	102 860 373	96,40	3,60
(Surplus)/Deficit	85 184 766	58 052 207	95 088 115	53 703 775	206 844 097	317 342 905	85 184 766	232 158 139		
TOTAL REVENUE	(2 768 246 234)	(152 943 812)	(169 731 263)	(283 915 327)	(606 590 402)	(2 433 227 722)	(2 768 246 234)	(335 018 512)	87,90	12,10
LESS REVENUE FOREGONE	217 674 132	5 989 135	6 232 159	6 326 042	18 547 336	88 135 534	217 674 132	129 538 598	40,49	59,51
Income forgone on assessment rate	64 190 148	3 461 671	3 500 280	3 492 776	10 454 727	70 755 650	64 190 148	(6 565 502)	110,23	(10,23)
Income forgone on other	153 483 984	2 527 464	2 731 879	2 833 266	8 092 609	17 379 885	153 483 984	136 104 099		
TOTAL INCOME	(2 550 572 102)	(146 954 677)	(163 499 104)	(277 589 285)	(588 043 066)	(2 345 092 188)	(2 550 572 102)	(205 479 914)	91,94	8,06
Total expenditure after deduct reve	2 635 756 868	205 006 884	258 587 219	331 293 060	794 887 163	2 662 435 093	2 635 756 868	(26 678 225)	101,01	(1,01)
TOTAL EXPENDITURE	2 853 431 000	210 996 019	264 819 378	337 619 102	813 434 499	2 750 570 627	2 853 431 000	102 860 373	96,40	3,60
Revenue foregone	(217 674 132)	(5 989 135)	(6 232 159)	(6 326 042)	(18 547 336)	(88 135 534)	(217 674 132)	(129 538 598)	40,49	59,51
(Surplus)/ Deficit for the year	302 858 898	58 052 207	95 088 115	53 703 775	206 844 097	317 342 905	85 184 766	(232 158 139)	104,78	28,13

OPERATING INCOME PER DEPARTMENT AS AT JUNE 2017

DESCRIPTION	ADJUSTED	APRIL	MAY	JUNE	4th Quarter	YTD ACTUAL	YTD BUDGET	VARIANCE	VARIANCE	YTD %
Public safety	96 180 416	5 027 288	6 782 125	9 968 947	21 778 360	74 241 139	96 180 416	(21 939 277)	-22,81	77,19
Health service	318 000	29 555	-	31 988	61 543	96 708	318 000	(221 293)	-	30,41
Community services	218 458 879	12 470 503	12 451 449	12 425 109	37 347 061	151 757 613	218 458 879	(66 701 266)	-30,53	69,47
Sports	2 238 260	166 911	86 663	1 241 689	1 495 263	2 588 381	2 238 260	350 121	15,64	115,64
Housing	2 166 080	89 439	136 010	77 564	303 013	1 261 920	2 166 080	(904 160)	-41,74	58,26
Council general	3 286 000	159 155	140 304	226 638	526 097	2 034 762	3 286 000	(1 251 238)	-38,08	61,92
Civil Engineering	772 799 736	43 473 387	49 095 829	42 827 718	135 396 934	581 612 878	772 799 736	(191 186 858)	-24,74	75,26
Electrical engineering	891 329 020	57 122 124	55 277 759	53 135 007	165 534 889	731 028 837	891 329 020	(160 300 183)	-17,98	82,02
Corporate services	4 583 350	17 345	16 327	53 865	87 537	225 579	4 583 350	(4 357 771)	-95,08	4,92
Finance	539 225 890	26 742 739	38 122 694	155 956 514	220 821 946	781 387 397	539 225 890	242 161 507	44,91	144,91
Market	19 980 890	1 656 231	1 444 886	1 644 247	4 745 364	18 854 825	19 980 890	(1 126 065)	-5,64	94,36
LED	5 581	-	-	-	-	2 150	5 581	(3 431)	-	38,52
TOTAL	2 550 572 102	146 954 677	163 554 046	277 589 285	588 043 066	2 345 092 188	2 550 572 102	(205 479 914)	-8,06	91,94

OPERATING EXPENDITURE PER DEPARTMENT

DESCRIPTION	ADJUSTED	APRIL	MAY	JUNE	4th Quarter	YTD ACTUAL	YTD BUDGET	VARIANCE	VARIANCE	YTD %
Public safety	203 295 430	11 095 843	9 607 414	31 407 017	52 110 274	210 919 920	203 295 430	7 624 490	3,75	103,75
Health service	11 023 939	439 234	391 916	825 649	1 656 800	8 339 942	11 023 939	(2 683 997)	-24,35	75,65
Community services	162 267 658	15 808 726	14 976 936	16 059 930	46 845 591	154 904 156	162 267 658	(7 363 502)	-4,54	95,46
Sports	107 890 796	5 064 173	4 712 161	20 620 837	30 397 171	99 201 315	107 890 796	(8 689 481)	-8,05	91,95
Housing	11 360 610	661 373	827 684	1 237 441	2 726 498	9 937 526	11 360 610	(1 423 084)	-12,53	87,47
Council general	132 540 070	13 400 211	7 472 121	16 131 202	37 003 534	117 426 206	132 540 070	(15 113 864)	-11,40	88,60
Civil Engineering	798 881 262	24 732 138	31 784 934	131 352 542	187 869 614	661 277 981	798 881 262	(137 603 281)	-17,22	82,78
Electrical engineering	783 670 138	66 506 323	134 116 469	46 864 416	247 487 208	742 498 160	783 670 138	(41 171 978)	-5,25	94,75
Corporate services	62 423 459	4 605 223	4 366 885	3 682 821	12 654 928	55 329 342	62 423 459	(7 094 117)	-11,36	88,64
Finance	547 514 383	60 758 359	48 378 268	58 966 100	168 102 726	575 219 949	547 514 383	27 705 566	5,06	105,06
Market	22 695 099	1 451 452	1 378 344	2 927 342	5 757 138	20 191 314	22 695 099	(2 503 785)	-11,03	88,97
LED	9 868 156	483 829	574 087	1 217 764	2 275 680	7 189 282	9 868 156	(2 678 874)	-27,15	72,85
TOTAL	2 853 431 000	205 006 884	258 587 219	331 293 060	794 887 163	2 662 435 093	2 853 431 000	(190 995 907)	-6,69	91,31
Surplus/Deficit	(302 858 898)	(58 052 207)	(95 033 173)	(53 703 775)	(206 844 097)	(317 342 906)	(85 184 766)	(232 158 140)	-	-

GRANTS AND SUBSIDIES - June 2017
Operational allocation/grant received

	ADJUSTED	APRL	MAY 16/17	JUNE '2017	YTD RECEIVED	YTD%
Equitable shares grants	342 855 000	-	-	-	341 212 000	99,52
Finance Management Grant	1 810 000	-	-	-	1 810 000	100,00
Improvement of library services	1 100 000	-	-	-	1 100 000	100,00
Museum/Grant research and developme	250 000	-	-	-	250 000	100,00
PMU	3 598 100	-	-	-	3 598 100	100,00
EPWP (arbour week)	1 658 000	-	-	-	1 656 000	99,88
	351 271 100	-	-	-	349 626 100	99,53
CAPITAL GRANT RECEIVED						
MIG	79 193 900	-	-	-	79 193 900	100,00
NDPG	35 325 000	-	-	-	35 325 000	100,00
DME/INER	10 800 000	-	-	-	10 800 000	100,00
PIG-SEWER	-	-	-	-	-	-
PMU	570 000	-	-	-	570 000	100,00
	125 888 900	-	-	-	125 888 900	100,00

ANNEXURE B

Cash Flow Statement for the month of June 2017

Cash Receipts by Source	June 2017
Property rates	17 609 755
Service charges - electricity revenue	39 730 107
Service charges - water revenue	18 797 566
Service charges - sanitation revenue	4 653 515
Service charges - refuse revenue	4 079 977
Service charges - other	18 631 626
Rental of facilities and equipment	160 803
Interest earned - external investments	6 241
Interest earned - outstanding debtors	
Fines	134 955
Licences and permits	600 195
Transfer receipts - operational grants	-
Other revenue	225 640 995
Cash Receipts by Source	330 045 735
Transfer receipts - capital grants	-
Proceeds on disposal of PPE	-
Total Cash Receipts by Source	330 045 735
Proceeds on disposal of PPE	
Short term loan	
Borrowing long term/ Refinancing	(5 042 312)
Increase (decrease) in consumer deposits	108 147
Decrease (increase) in non - current debtors	
Decrease (increase) in non - current	(2 366 707)
Decrease (increase) in non-current investment	2 125
Total Cash Receipts by Source	322 746 988
Cash Payments by Type	
Employee related costs	51 517 802
Remuneration of councillors	2 515 800
Collection costs	456 489
Interest paid	1 684 412
Bulk purchases - Electricity	89 283 751
Bulk purchases - Water	35 766 632
Repairs and maintenance	12 450 563
Contracted services	7 606 242
General expenses	77 936 315
Cash Payments by Type	279 218 006
Other Cash Flows/Payments by Type	
Capital assets	44 347 669
Repayment of borrowing	5 483 461
Other Cash Flows/Payments	49 831 130
Investment	
Total Cash Payments by Type	329 049 136
Net increase/(decrease) in cash held	(6 302 147)
Cash/ cash equivalent at the month begin	91 463 202
Cash/ cash equivalent at the month end	85 161 054

ANNEXURE C CAPITAL EXPENDITURE

NW403 City Of Matlosana - Budgeted Capital Expenditure - June 2017

	Adjusted Budget	April 2017	May 2017	June 2017	4th Quarter	YTD Actual	YTD Budget	Variance	YTD %
Capital Expenditure									
Council General	7 300 000	1 198 371	1 052 170	567 014	2 817 555	5 188 645	6 691 667	(1 503 022)	71,08
Council General Admin	7 300 000	1 198 371	1 052 170	567 014	2 817 555	5 188 645	6 691 667	(1 503 022)	71,08
Municipal & Environmental Services	10 280 231	3 171 874	924	4 802 369	7 975 167	8 797 968	9 423 545	(625 577)	85,58
Community and social services									
Sport and recreation	9 193 650	3 171 874	924	4087892	7 260 690	8 083 491	8 427 513	(344 022)	87,92
Refuse removal									
Public Safety	386 581	-	-	29 200	29 200	29 200	354 366	(325 166)	7,55
Health									
Cemetery	700 000	-	-	685 277	685 277	685 277	641 667	43 610	97,90
Finance	5 000 000			83 152	83 152	83 152	4 583 333	(4 500 181)	1,66
ICT Hard/software	5 000 000	-	-	83152	83 152	83 152	4 583 333	(4 500 181)	1,66
Macro city planning & Development	4 624 300	525 765	712 695	-	1 238 460	4 128 696	4 238 942	(110 246)	89,28
Market	4 624 300	525 765	712 695	-	1 238 460	4 128 696	4 238 942	(110 246)	89,28
Civil Services & Human Settlement	98 732 872	7 626 739	(45 042)	29 609 192	37 190 889	89 961 417	90 505 133	(543 716)	91,12
Water	27 491 330	2 845 348	(5)	10151965	12 997 308	21 344 941	25 200 386	(3 855 445)	77,64
Waste water management(Sewer)	19 242 929	2 868 001	(202 878)	2984235	5 649 358	15 382 027	17 639 352	(2 257 325)	79,94
Roads	51 998 613	1 913 390	157 841	16472992	18 544 223	53 234 449	47 665 395	5 569 054	102,38
Housing									
PMU Unit									
Dumping side									
Electrical & Mechanical Engineering	53 074 149	39 348	1 662 817	9 285 942	10 988 107	34 088 120	48 651 303	(14 563 183)	64,23
Electrical	53 074 149	39 348	1 662 817	9285942	10 988 107	34 088 120	48 651 303	(14 563 183)	64,23
Total Capital Expenditure	179 011 552	12 562 097	3 383 564	44 347 669	60 293 330	142 247 997	164 093 923	(21 845 925)	79,46

CAPITAL FUNDING

National government	126 211 552	11 363 727	2 331 394	42 606 677	56 301 798	117 241 926	115 693 923	1 548 003	92,89
Provincial government	-	-	-	-	-	-	-	-	-
District municipality	-	-	-	-	-	-	-	-	-
Borrowing	-	-	-	-	-	-	-	-	-
Internal Generated funds	52 800 000	1 198 371	1 052 170	1 740 992	3 991 533	25 006 072	48 400 000	(23 393 928)	47,36
Financing Total	179 011 552	12 562 098	3 383 564	44 347 669	60 293 331	142 247 998	164 093 923	(21 845 925)	79,46

ANNEXURE D
DEBTOR'S AGE ANALYSIS - June 2017

Detail	0 - 30 Days	31 - 60 Days	61 - 90 Days	91 + 120 Days	Total
Debtors Age Analysis By Income Source					
Water Tariffs	32 827 633	25 674 896	24 030 915	664 455 620	746 989 064
Electricity Tariffs	42 061 099	14 198 462	7 868 852	172 250 774	236 379 187
Rates (Property Rates)	18 631 027	5 511 977	4 131 023	126 940 138	155 214 165
Sewerage/ Sanitation	6 763 590	4 018 219	4 218 100	121 421 130	136 421 039
Refuse Removal Tariffs	8 901 426	6 171 569	7 076 320	206 490 421	228 639 736
Other	30 779 430	24 465 006	25 771 626	722 467 493	803 483 555
Total By Income Source	139 964 205	80 040 129	73 096 836	2 014 025 576	2 307 126 746
Debtors Age Analysis By Customer Group					
Government	4 786 280	3 490 386	1 321 178	28 345 022	37 942 866
Business	40 795 414	15 228 964	9 412 425	224 154 496	289 591 299
Households	93 733 465	60 783 124	61 825 440	1 716 150 367	1 932 492 396
Other	649 046	537 655	537 793	45 375 691	47 100 185
Total By Customer Group	139 964 205	80 040 129	73 096 836	2 014 025 576	2 307 126 746

DEBTOR'S AGE ANALYSIS - MAY 2017

Detail	0 - 30 Days	31 - 60 Days	61 - 90 Days	91 + 120 Days	Total
Debtors Age Analysis By Income Source					
Water Tariffs	38 461 392	26 301 159	23 028 045	651 528 351	739 318 947
Electricity Tariffs	43 533 499	12 029 933	7 729 427	169 432 549	232 725 408
Rates (Property Rates)	18 578 179	5 373 763	4 137 142	126 079 636	154 168 720
Sewerage/ Sanitation	7 012 209	4 877 549	3 827 633	119 468 205	135 185 596
Refuse Removal Tariffs	8 935 941	7 543 783	6 340 903	202 751 509	225 572 136
Other	31 678 666	27 239 844	22 880 335	707 324 277	789 123 122
Total By Income Source	148 199 886	83 366 031	67 943 485	1 976 584 527	2 276 093 929
Debtors Age Analysis By Customer Group					
Government	3 794 500	2 602 768	1 103 380	28 867 362	36 368 010
Business	41 793 660	12 661 075	10 315 924	217 855 806	282 626 465
Households	101 893 071	67 510 612	56 049 233	1 684 738 861	1 910 191 777
Other	718 655	591 575	474 948	45 123 055	46 908 233
Total By Customer Group	148 199 886	83 366 031	67 943 485	1 976 584 527	2 276 093 929

ANNEXURE E
OUTSTANDING CREDITORS STATEMENT - June 2017

Detail	0 - 30 Days	31 - 60 Days	61 - 90 Days	91 - 120 Days	121 +Days	Total
Bulk Electricity	70 941 670			99 134 594	-	170 076 264
Bulk Water	27 092 776			94 482 582	-	121 575 358
Auditor General	18 079	15 460	33 868	36 192	1 238 644	1 342 243
Trade Creditors	5 539 668	1 618 490	6 466 023	73 701 340	16 317 704	103 643 225
Total	103 592 193	1 633 950	6 499 891	267 354 708	17 556 348	396 637 090

ANNEXURE E
 OUTSTANDING CREDITORS STATEMENT - MAY 2017

Detail	0 - 30 Days	31 - 60 Days	61 - 90 Days	91 - 120 Days	121 +Days	Total
Bulk Electricity	47 841 807	-	-	63 386 955	-	111 228 762
Bulk Water	122 934 122	-	-	12 401 927	-	135 336 049
Auditor General	15 460	33 868	36 192	101 341	-	1 324 164
Trade Creditors	44 952 974	21 729 111	21 620 070	99 839 693	1 137 303	188 141 848
Total	215 744 363	21 762 979	21 656 262	175 729 916	1 137 303	436 030 823

ANNEXURE F

Investment Portfolio: 30 June 2017

City of Matlosana

INSTITUTION	INTEREST RATE	PERIOD	MAY 2017	JUNE 2017	MATURITY DATE	EXPLANATION
Call Investment						
ABSA: 3854	3,73%		9 353 035,82	1 733 022,74		MIG
ABSA: 5047	4,70%		45 708,61	46 068,35		
ABSA: 6177	6,75%		395 526,65	400 026,15		
ABSA: 2264	4,70%		5 827 583,73	5 850 846,17		
ABSA: 4682	6,65%		21 996 118,22	18 597 559,96		NDPG
ABSA: 4063	1,55%		172 068,17	172 294,69		
ABSA: 1223	6,75%		45 128 887,70	24 577 371,79		
INVESTEC	6,80%		5 553 219,49	5 584 256,66		
TOTAL Call Investment			88 472 148,39	56 961 446,51		
Collateral						
SANLAM	Policy	Guaranteed Capital	7 327 152,00	7 837 616,22	2018/12/01	Policy
SANLAM	Policy	Guaranteed Capital	490 096,00	524 109,04	2019/08/01	Policy
NEDCOR	Minimum 5%		19 875 074,00	21 697 304,00	30/06/2019	Security
TOTAL			27 692 322,00	30 059 029,26		
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			116 263 883,67	87 119 889,05		

Withdraw R6 043 366 from ABSA call (MIG) - 02 June 2017
 Withdraw R3 522 791 from ABSA call (NDPG) - 09 June 2017
 Invest R10 000 000 with ABSA on call - 12 June 2017
 Withdraw R808 354 from ABSA call (MIG) - 14 June 2017
 Withdraw R232 166 from ABSA call (MIG) - 15 June 2017
 Withdraw R540 000 from ABSA call (MIG) - 21 June 2017
 Withdraw R20 000 000 from ABSA call - 22 June 2017
 Withdraw R7 704 418 from ABSA call (MIG) - 29 June 2017
 Withdraw R2 333 377 from ABSA call (MIG) - 30 June 2017
 Withdraw R805 542 from ABSA call (MIG) - 30 June 2017

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

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

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 01/07/2018	Debt Repaid or Ru- deemed	Additional Principal Accrued	Balance at 30/06/2017	Redemption 20/7/2018
ANNUITY LOANS													
NW11088	1/10/1987	30/06/2017	20	7436371	Development Bank of SA	Provision of Infrastructure	15	186 818,67	1 682 261,28	997 031,89	0,00	652 219,69	652 219,69
NW11142	1/10/1988	30/06/2018	20	7436466	Development Bank of SA	Provision of Infrastructure	15,25	340 874,75	2 609 003,06	886 126,30	0,00	1 613 877,18	1 613 877,18
NW138241	1/10/2000	30/06/2020	20	398 1800	Development Bank of SA	Provision of Infrastructure	15,6	378 709,84	2 118 217,28	363 211,94	0,00	1 760 005,32	413 488,82
NW138242	1/7/2001	30/06/2018	18	10000000	Development Bank of SA	Combination	14,75	186 770,75	1 888 656,65	656 656,64	0,00	1 111 111,11	656 656,64
NW10129171	1/7/2004	30/06/2018	15	24070000	Development Bank of SA	Combination	14,75	1 696 072,84	14 898 126,01	0,00	14 898 126,00	656 656,64	
NW10129172	1/7/2004	30/06/2018	15	37000000	Development Bank of SA	Combination	11,2	1 013 040,65	8 726 708,68	2 868 350,64	0,00	6 858 358,64	3 228 508,10
NW1028771	1/1/2010	1/1/2025	16	34388872	Development Bank of SA	Provision of Infrastructure	14,75	1 267 632,41	12 169 920,63	3 023 265,05	0,00	8 846 927,00	4 046 886,20
10858	31/01/1988	31/01/2018	20	13380746	Development Bank of SA	Provision of Infrastructure	16	482 811,91	27 046 642,64	1 884 485,28	0,00	23 771 577,28	2 071 646,18
10864	30/09/1989	30/09/2019	20	6887000	Development Bank of SA	Provision of Infrastructure	15,25	303 923,66	2 110 134,24	1 497 000,79	0,00	1 613 133,45	1 888 874,49
10812	30/09/1989	30/09/2019	20	7 477 000	Development Bank of SA	Provision of Infrastructure	15,25	448 653,22	3 158 015,64	738 036,23	0,00	2 389 979,41	672 348,47
10813	30/09/1989	30/09/2019	20	8780000	Development Bank of SA	Provision of Infrastructure	15,25	346 072,69	2 406 447,37	668 488,26	0,00	1 838 460,02	892 086,70
TOTAL ANNUITIES								8 997 234,06	83 420 020,20	14 661 646,11	0,00	68 838 460,39	15 012 902,00

Template for Calculation of Uniform Financial Ratios and Norms

RATIO	FORMULA	2017	2016	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	5%	5%	The ratio will increasing as capital expenditure accelerates.
		2 662 435 093	142 247 997	
			0	

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	0,003379325	8 997 234	0,0034 This do not indicate the capacity for further borrowing, rather the precarious situation where we cant afford the risk of commitment due to cashflow constraints.
			2 662 435 093	
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	0,034529964	68 858 450	0,035
			2 111 255 503	
			117 090 367	

2. FINANCIAL PERFORMANCE

1 Net Operating Surplus Margin	(Total Operating Revenue - Total Operating Expenditure)/Total Operating Revenue	-0,261087214	2 111 255 503	-0,2611 The restated assets register and the accompanying higher depreciation have a significant impact on financial performance of the municipality.
			2 662 435 093	

D. Expenditure Management

1 Creditors Payment Period (Trade Creditors)	Trade Creditors Outstanding / Credit Purchases (Operating and Capital) x 365	51,21919395	396 637 090	51,22 Improvement, but still way behind acceptable.
			2 826 529 015	
2 Remuneration as % of Total Operating Expenditure	Remuneration (Employee Related Costs and Councillors' Remuneration) /Total Operating Expenditure x100	0,208297174	554 577 705	0,21 Below NT norm
			2 662 435 093	

2	Contracted Services % of Total Operating Expenditure	Contracted Services / Total Operating Expenditure x100	0,013517065 35 988 307 2 662 435 093	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	17,57920878 0 25 006 072 142 247 997	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	0,60 2 345 092 188 949 013 543 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	0,794630267 142 247 997 179 011 552	0,79 Should be at 100%.
2	Operating Expenditure Budget Implementation Indicator	Actual Operating Expenditure / Budgeted Operating Expenditure x 100	1,010121656 2 662 435 093 2 635 756 868	1,01
3	Operating Revenue Budget Implementation Indicator	Actual Operating Revenue / Budget Operating Revenue x 100	0,919437716 2 345 092 188 2 550 572 102	0,92