

QUARTERLY REPORT: JULY - SEPTEMBER 2017

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

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

Statement of Financial Performance (SFP)

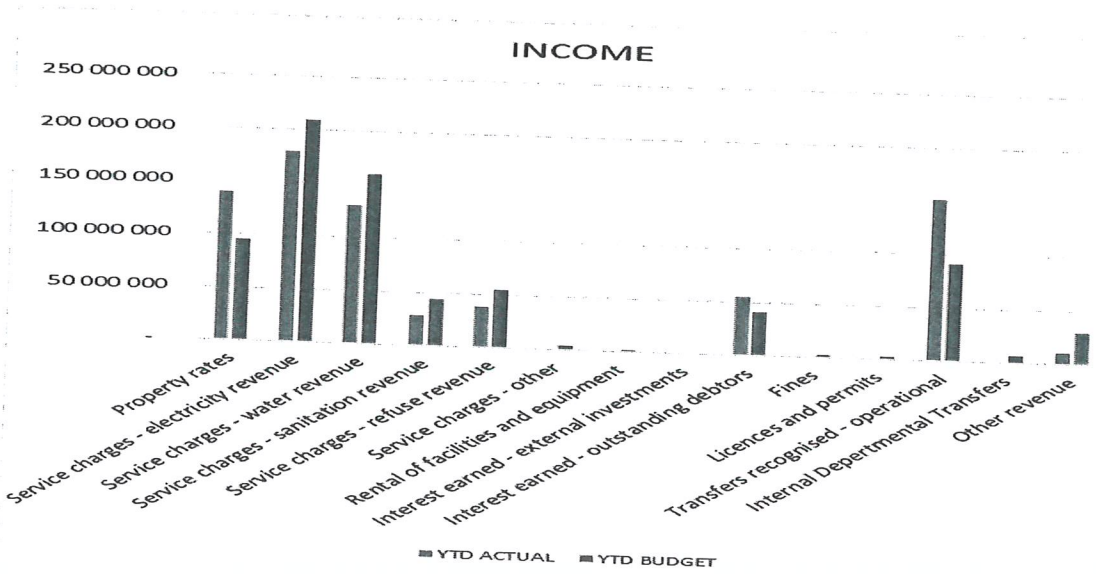
The SFP shown in Annexure A is prepared on a similar basis to the prescribed budget format, detailing revenue by source type and expenditure by category.

The summary report indicates the following:

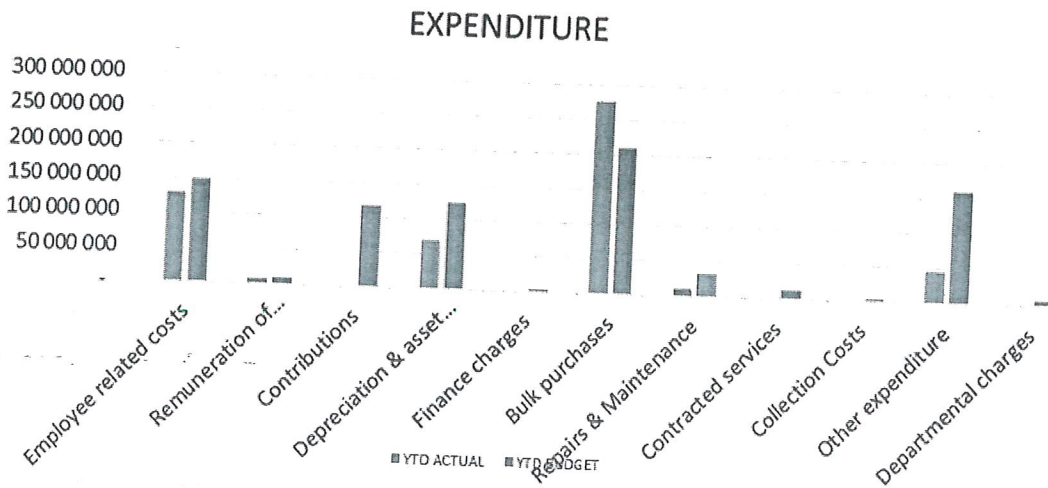
Summary statement of Financial Performance				
Description	YTD Budget 2017/18	1st QUARTER ACTUAL 2017/18	YTD Actual 2017/18	Variance (Favourable) Unfavourable
Total Revenue By Source	(738,943,660)	(732,070,149)	(732,070,149)	(6,873,511)
Total Operating Expenditure	808,372,372	535,807,422	535,807,422	272,564,950
(SURPLUS)/ DEFICIT	69,428,712	(196,262,727)	(196,262,727)	265,691,439

- Please note that the report has been manually prepared due to the financial system challenges.

YTD Actual Income vs YTD Budget Income



YTD Actual Expenditure vs YTD Budget Expenditure



GRANTS AND SUBSIDIES

Operational allocation/ Grant received

DESCRIPTION	BUDGET 2017/18	1st QUARTER RECEIVED 2017/18	YTD ACTUAL RECEIVED 2017/18	YTD%
Equitable shares grants	354,377,000	147,658,000	147,658,000	41.67%
Finance Management grant	2,145,000	2,145,000	2,145,000	100%
Improvement of Library services	1,200,000	1,200,000	1,200,000	100%
PMU	4,291,613	0	0	0
EPWP	2,246,000	562,000	562,000	25.02%
TOTAL	364,259,613	151,565,000	151,565,000	40.96%

Operational Grant spending

DESCRIPTION	BUDGET 201718	1st Quarter Spending 2017/18	YTD ACTUAL 2017/18	YTD%
Equitable shares grants	354,377,000	88,594,251	88,594,251	25%
Finance Management grant	2,145,000	133,145	133,145	6.21%
Improvement of Library services	1,200,000	0	0	
PMU	4,291,613	721,137	721,137	16.80%
EPWP	2,246,000	0	0	0
TOTAL	364,259,613	89,448,533	89,448,533	24.56%

Capital expenditure report (Annexure C)

The summary report indicates the following:

Summary statement of Capital Expenditure				
Description	YTD Budget	1st Quarter 2017/18	YTD Actual	Variance Favourable (Unfav)
Total Capital Expenditure	53,436,750	45,501,566	45,501,566	(7,935,184)
Capital funding				
National government	43,436,750	45,501,566	45,501,566	2,064,816
Provincial Government	-	-	-	-
District Municipality	-	-	-	-
Borrowing	7,500,000			(7,500,000)
Internal Generated fund	2,500,000	0	0	(2,500,000)
Financial Total	53,436,750	45,501,566	45,501,566	(7,935,184)

- Capital spending of 21.29% is lower than the 25% pro-rata.

MIG Spending

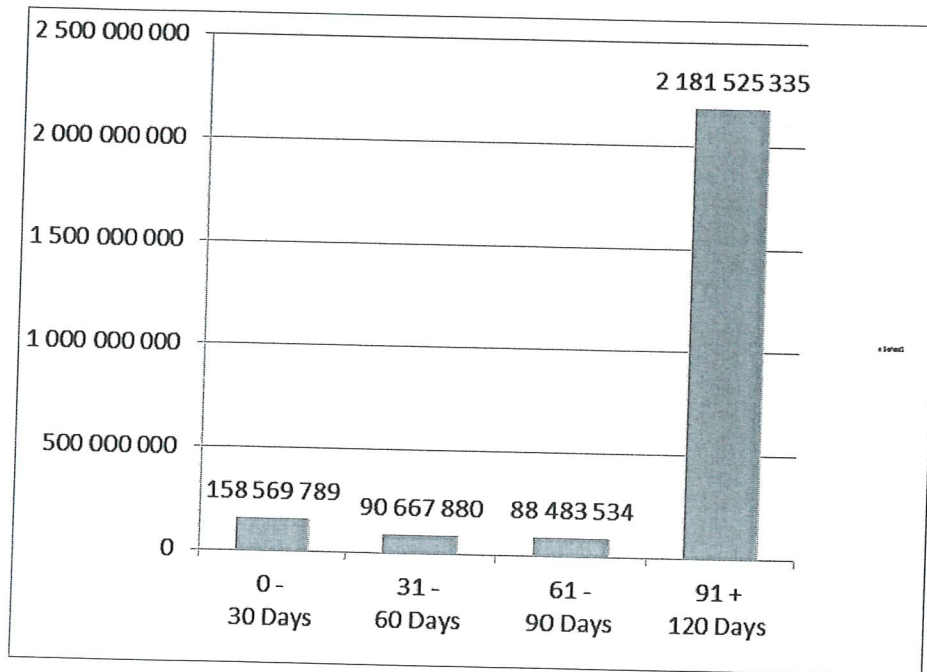
BUDGET	1st Quarter RECEIVED	SPENDING YTD	YTD RECEIVED	%SPENDING
84,588,950	31,164,000	28,838,087	31,164,000	34.09%

Outstanding Debtors report (Annexure D)

This graph provides an extended aged analysis, as well as debtor's type. The summary report indicates that the debtor's greater than 30 days (31-90+days) balance as at 30 September 2017 amounts to R 2.361 billion.

A detailed Age Analysis is on annexure D.

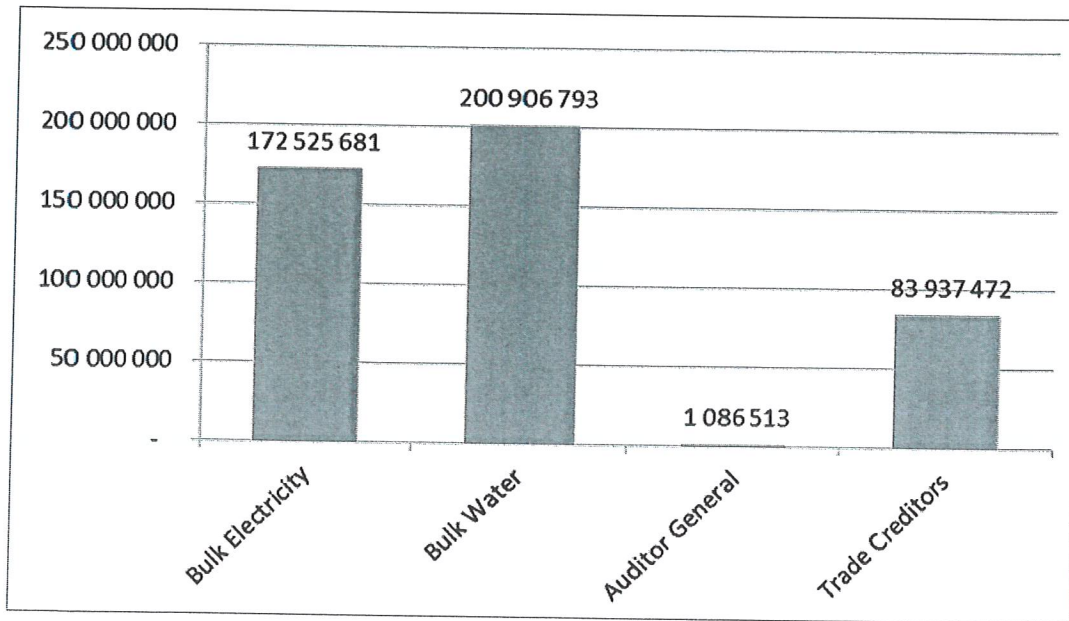
Debtors by Customer group – 30 September 2017



- Debtors' book has increased by R59.2 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 creditors has increased by R 129 million compared to the previous month.

Investment Portfolio (Annexure F)

The table indicates the status of the investment portfolio which amounts to **R 169,827,468** as at 30 September 2017.

Institution	Investments				
	Fixed	Call	Long Term	Collateral	Total
	R	R	R	R	R
ABSA		133,991,293			51,377,190
FNB			99,413		99,413
Investec		5,677,732			5,677,732
Nedcor				21,697,304	21,697,304
Sanlam (Policy)	8,361,725				8,361,725
	8,361,725	139,669,025	99,413	21,697,304	169,827,468

ANNEXURE G (BORROWINGS)

The total amount outstanding on external loans at the end of September 2017 amount to R65,233,056.99

ANNEXURE I

RATIOS

FINANCIAL IMPLICATIONS

The report covers the period from 1 July 2017 to 30 September 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 732 million is less than projected of R 739 million YTD budget (Pro-rata) and vary by R 7 million.

Year to date actual expenditure of R536 million is less than projected expenditure of R808 million YTD budget (Pro-rata) and vary by R 273 million.

RECOMMENDATION

That the Executive Mayor submits to the Council this statement as per section 52(d) of the MFMA.

ANNEXURE A - FINANCIAL PERFORMANCE

Budgeted Financial Performance (revenue and expenditure) - September 2017

Current Year 2017/18

Description	Original Budget	1st QUARTER 17/18	YTD ACTUAL	YTD BUDGET	Variance	YTD %	Variance%
Revenue By Source							
Property rates	(378 837 000)	(139 360 334)	(139 360 334)	-94 709 250	(44 651 084)	36.79	47.15
Service charges - electricity revenue	(838 331 000)	(178 984 831)	(178 984 831)	-209 582 750	30 597 919	21.35	(14.60)
Service charges - water revenue	(639 296 000)	(130 092 896)	(130 092 896)	-159 824 000	29 731 104	20.35	(18.60)
Service charges - sanitation revenue	(173 694 000)	(28 159 516)	(28 159 516)	-43 423 500	15 263 984	16.21	(35.15)
Service charges - refuse revenue	(215 011 000)	(38 002 249)	(38 002 249)	-53 752 750	15 750 501	17.67	(29.30)
Service charges - other	(15 000 000)	(51 567)	(51 567)	-3 750 000	3 698 433	0.34	-
Rental of facilities and equipment	(6 586 640)	(812 387)	(812 387)	-1 646 660	834 273	12.33	(50.66)
Interest earned - external investments	(2 500 000)	-	-	-625 000	625 000	-	(100.00)
Interest earned - outstanding debtors	(161 884 000)	(54 543 772)	(54 543 772)	-40 471 000	(14 072 772)	33.69	34.77
Fines	(7 452 000)	(184 873)	(184 873)	-1 863 000	1 678 127	2.48	(90.08)
Licences and permits	(7 529 000)	(7 443)	(7 443)	-1 882 250	1 874 807	0.10	(99.60)
Transfers recognised - operational	(364 262 000)	(151 565 000)	(151 565 000)	-91 065 500	(60 499 500)	41.61	66.44
Internal Departmental Transfers	(26 505 731)	-	-	-6 626 433	6 626 433	-	-
Other revenue	(118 886 269)	(10 305 281)	(10 305 281)	-29 721 567	19 416 286	8.67	(65.33)
Gains on disposal of PPE	-	-	-	0	-	-	-
Total Revenue	(2 955 774 640)	(732 070 149)	(732 070 149)	(738 943 660)	6 873 511	444.69	(0.93)
Expenditure By Type							
Employee related costs	586 853 000	127 859 142	127 859 142	146 713 250	18 854 108	24.15	12.85
Remuneration of councillors	31 657 000	6 530 325	6 530 325	7 914 250	1 383 925	25.98	17.49
Contributions	462 621 000	-	-	115 655 250	115 655 250	-	100.00
Depreciation & asset impairment	492 000 000	68 425 990	68 425 990	123 000 000	54 574 010	14.35	44.37
Finance charges	11 000 000	64 472	64 472	2 750 000	2 685 528	0.45	97.66
Bulk purchases	837 563 000	275 868 201	275 868 201	209 390 750	(66 477 451)	33.98	(31.75)
Repairs & Maintenance	126 791 000	9 876 672	9 876 672	31 697 750	21 821 078	8.87	68.84
Contracted services	48 250 824	1 578 013	1 578 013	12 062 706	10 484 693	3.38	86.92
Collection Costs	13 500 000	1 105 002	1 105 002	3 375 000	2 269 998	8.15	67.26
Other expenditure	640 276 448	44 499 605	44 499 605	160 069 112	115 569 507	10.46	72.20
Departmental charges	26 505 728	-	-	6 626 432	6 626 432	-	100.00
Internal recoveries(amount charge out)	-	-	-	-	-	-	-
Total Expenditure	3 277 018 000	535 807 422	535 807 422	819 254 500	283 447 078	18.78	34.60
(Surplus)/Deficit	321 243 360	(196 262 727)	(196 262 727)	80 310 840	(276 573 567)		
TOTAL REVENUE	(2 955 774 640)	(732 070 149)	(732 070 149)	(738 943 660)	(6 873 511)	444.69	0.93
LESS REVENUE FOREGONE	-	-	-	-	-	-	-
Income forgone on assessment rate	43 528 512	-	-	10 882 128	10 882 128	-	100.00
Income forgone on other	-	-	-	-	-	-	-
TOTAL INCOME	(2 955 774 640)	(732 070 149)	(732 070 149)	(738 943 660)	(6 873 511)	(1 379.96)	0.93
Total expenditure after deduct rever	3 233 489 488	535 807 422	535 807 422	808 372 372	272 564 950	20.33	33.72
TOTAL EXPENDITURE	3 277 018 000	535 807 422	535 807 422	819 254 500	283 447 078	18.78	34.60
Revenue foregone	(43 528 512)	-	-	(10 882 128)	(10 882 128)	-	100.00
(Surplus)/ Deficit for the year	321 243 360	(196 262 727)	(196 262 727)	69 428 712	265 691 439	-6.75	2.39

GRANTS AND SUBSIDIES - SEPTEMBER 2017
Operational allocation/grant received

Equitable shares grants
Finance Management Grant
Improvement of library services
PMU
EPWP (arbour week)

BUDGET	RECEIVED 1st Quarter	YTD RECEIVED	YTD%
354 377 000	147 658 000	147 658 000	41.67
2 145 000	2 145 000	2 145 000	100.00
1 200 000	1 200 000	1 200 000	100.00
4 291 613	-	-	-
2 246 000	562 000	562 000	25.02
364 259 613	151 565 000	151 565 000	41.61
CAPITAL GRANT RECEIVED			
84 588 950	31 164 000	31 164 000	36.84
75 000 000	40 000 000	40 000 000	53.33
14 000 000	-	-	-
160 435	-	-	-
173 749 385	71 164 000	71 164 000	40.96

CAPITAL GRANT RECEIVED
MIG
NDPG
DME/INER
PIG-SEWER
PMU

GRANTS AND SUBSIDIES - September 2017
Operational allocation/grant spending

Equitable shares grants
Finance Management Grant
Improvement of library services
PMU
EPWP (arbour week)

BUDGET	1st Quarter	YTD spend	YTD%
354 377 000	88 594 251	88 594 251	25.00
2 145 000	133 145	133 145	6.21
1 200 000	-	-	-
4 291 613	721 137	721 137	16.80
2 246 000	-	-	-
364 259 613	89 448 533	89 448 533	24.56
CAPITAL GRANT EXPENDITURE			
84 588 950	28 838 087	28 838 087	34.09
75 000 000	12 972 426	12 972 426	17.30
14 000 000	3 691 055	3 691 055	26.36
160 435	-	-	-
173 749 385	45 501 568	45 501 568	26.19

CAPITAL GRANT EXPENDITURE
MIG
NDPG
DME/INER
PIG-SEWER
PMU

ANNEXURE B

Cash Flow Statement for the month of September 2017

	July 2017	August 2017	September 2017
Cash Receipts by Source			
Property rates	16 861 109	24 760 633	24 205 332
Service charges - electricity revenue	40 341 477	51 574 399	38 508 176
Service charges - water revenue	16 810 532	20 254 692	11 902 076
Service charges - sanitation revenue	4 236 875	5 192 934	2 825 235
Service charges - refuse revenue	3 861 751	4 690 390	2 622 996
Service charges - other	21 222 842	24 678 742	13 949 089
Rental of facilities and equipment	-	-	-
Interest earned - external investments	-	-	-
Interest earned - outstanding debtors	-	-	-
Fines	554 568	379 281	106 706
Licences and permits	-	-	-
Transfer receipts - operational grants	-	-	-
Other revenue	149 803 000	562 000	1 200 000
Cash Receipts by Source	121 676 556	6 813 939	101 874 746
Transfer receipts - capital grants	375 368 710	138 907 010	197 194 356
Proceeds on disposal of PPE	46 164 000	-	25 000 000
Total Cash Receipts by Source	421 532 710	138 907 010	222 194 356
Proceeds on disposal of PPE	-	-	-
Short term loan	-	-	-
Borrowing long term/ Refinancing	-	-	-
Increase (decrease) in consumer deposits	-	-	-
Decrease (increase) in non - current debtors	-	-	-
Decrease (increase) in non - current	-	-	-
Decrease (increase) in non- current investment	-	-	-
Total Cash Receipts by Source	421 532 710	138 907 010	222 194 356
Cash Payments by Type			
Employee related costs	42 167 039	39 980 490	45 711 731
Remuneration of councillors	2 176 775	2 176 775	2 176 775
Collection costs	-	-	-
Interest paid	391 412	391 412	391 412
Bulk purchases - Electricity	70 841 669	70 799 027	71 034 692
Bulk purchases - Water	-	-	-
Repairs and maintenance	-	-	-
Contracted services	-	-	-
General expenses	-	-	-
Cash Payments by Type	53 778 346	16 129 705	15 815 240
Total Cash Payments by Type	169 355 241	129 477 409	135 129 850
Other Cash Flows/Payments by Type			
Capital assets	3 776 812	18 121 726	23 603 028
Repayment of borrowing	-	-	4 822 540
Other Cash Flows/Payments	159 075 158	608 095	68 874 563
Investment	-	-	-
Total Cash Payments by Type	332 207 211	148 207 230	232 429 981
Net increase/(decrease) in cash held	89 325 499	(9 300 220)	(10 235 625)
Cash/ cash equivalent at the month begin	85 161 054	174 486 553	165 186 333
Cash/ cash equivalent at the month end	174 486 553	165 186 333	154 950 708

ANNEXURE C CAPITAL EXPENDITURE

NW403 City Of Matlosana - Budgeted Capital Expenditure - September 2017

	Original Budget	1st Quarter 2017/18	YTD Actual	YTD Budget	Variance	YTD %
Capital Expenditure						
Council General	35 000 000	-	-	8 750 000	(8 750 000)	-
Council General Admin	35 000 000	-	-	8 750 000	(8 750 000)	-
Municipal & Environmental Services	10 952 000	-	-	2 738 000	(2 738 000)	-
Community and social services	-	-	-	-	-	-
Sport and recreation	10 952 000	-	-	2 738 000	(2 738 000)	-
Refuse removal	-	-	-	-	-	-
Public Safety	-	-	-	-	-	-
Health	-	-	-	-	-	-
Cemetery	-	-	-	-	-	-
Finance	5 000 000	-	-	1 250 000	(1 250 000)	-
ICT Hard/software	5 000 000	-	-	1 250 000	(1 250 000)	-
Macro city planning & Development	-	-	-	-	-	0
Market	-	-	-	-	-	0
Civil Services & Human Settlement	140 891 000	41 810 511	41 810 511	35 222 750	6 587 761	29.68
Water	42 187 000	-	-	10 546 750	(10 546 750)	-
Waste water management(Sewer)	7 484 000	-	-	1 871 000	(1 871 000)	-
Roads	91 220 000	41 810 511	41 810 511	22 805 000	19 005 511	45.83
Housing	-	-	-	-	-	-
PMU Unit	-	-	-	-	-	-
Dumping side	-	-	-	-	-	-
Electrical & Mechanical Engineering	21 904 000	3 691 055	3 691 055	5 476 000	(1 784 945)	16.85
Electrical	21 904 000	3 691 055	3 691 055	5 476 000	(1 784 945)	16.85
Total Capital Expenditure	213 747 000	45 501 566	45 501 566	53 436 750	(7 935 184)	21.29

CAPITAL FUNDING

National government	173 747 000	45 501 566	45 501 566	43 436 750	2 064 816	26.19
Provincial government	-	-	-	-	-	-
District municipality	-	-	-	-	-	-
Borrowing	30 000 000	-	-	7 500 000	(7 500 000)	-
Internal Generated funds	10 000 000	-	-	2 500 000	(2 500 000)	-
Financing Total	213 747 000	45 501 566	45 501 566	53 436 750	(7 935 184)	21.29

ANNEXURE D
DEBTOR'S AGE ANALYSIS - September 2017

Detail	0 - 30 Days	31 - 60 Days	61 - 90 Days	91 + 120 Days	Total
Debtors Age Analysis By Income Source					
Water Tariffs	39 475 350	28 595 063	26 105 490	722 135 937	816 311 840
Electricity Tariffs	52 217 148	16 436 218	10 373 595	182 436 029	261 462 990
Rates (Property Rates)	19 673 533	6 621 546	16 037 042	130 832 038	173 164 159
Sewerage/ Sanitation	6 763 590	4 018 219	4 218 100	121 421 130	136 421 039
Refuse Removal Tariffs	9 719 540	7 343 894	7 063 640	223 376 252	247 503 326
Other	30 720 628	27 652 940	24 685 667	801 323 949	884 383 184
Total By Income Source	158 569 789	90 667 880	88 483 534	2 181 525 335	2 519 246 538
Debtors Age Analysis By Customer Group					
Government	6 356 097	5 103 947	9 010 005	27 049 149	47 519 198
Business	49 188 456	14 220 085	12 301 425	(17 803 626)	57 906 340
Households	102 037 347	70 597 623	65 662 422	1 873 045 063	2 111 342 455
Other	987 889	746 224	1 509 682	46 234 749	49 478 544
Total By Customer Group	158 569 789	90 667 880	88 483 534	2 181 525 335	2 519 246 538

ANNEXURE D
DEBTOR'S AGE ANALYSIS - AUG 2017

Detail	0 - 30 Days	31 - 60 Days	61 - 90 Days	91 + 120 Days	Total
Debtors Age Analysis By Income Source					
Water Tariffs	34 775 220	28 242 341	20 380 760	704 885 570	788 283 891
Electricity Tariffs	42 372 995	18 331 227	7 067 301	178 672 969	246 444 492
Rates (Property Rates)	14 623 806	28 832 367	4 413 330	128 934 489	176 803 992
Sewerage/ Sanitation	6 763 590	4 018 219	4 218 100	121 421 130	136 421 039
Refuse Removal Tariffs	8 771 967	7 373 481	5 898 877	218 075 514	240 119 839
Other	31 640 732	26 888 464	21 990 408	771 880 965	852 400 569
Total By Income Source	138 948 310	113 686 099	63 968 776	2 123 870 637	2 440 473 822
Debtors Age Analysis By Customer Group					
Government	5 591 399	22 619 830	1 100 103	27 307 145	56 618 477
Business	41 052 031	19 123 170	9 121 225	229 766 622	299 063 048
Households	91 418 603	70 382 997	53 240 262	1 820 681 714	2 035 723 576
Other	886 276	1 560 102	507 187	46 115 156	49 068 721
Total By Customer Group	138 948 310	113 686 099	63 968 776	2 123 870 637	2 440 473 822

ANNEXURE E
 OUTSTANDING CREDITORS STATEMENT - Sept 2017

Detail	0 - 30 Days	31 - 60 Days	61 - 90 Days	91 - 120 Days	121 +Days	Total
Bulk Electricity	69 082 997				103 442 684	172 525 681
Bulk Water	30 524 797				170 381 996	200 906 793
Auditor General	602 032	18 079	15 460	33 868	417 074	1 086 513
Trade Creditors	6 272 059	-	5 539 668	226 572	71 899 173	83 937 472
Total	106 481 885	18 079	5 555 128	260 440	346 140 927	458 456 459

ANNEXURE E
 OUTSTANDING CREDITORS STATEMENT - AUG 2017

Detail	0 - 30 Days	31 - 60 Days	61 - 90 Days	91 - 120 Days	121 +Days	Total
Bulk Electricity	61 272 965					61 272 965
Bulk Water	29 212 853					29 212 853
Auditor General	2 984 194	1 169 219	365 382	76 678	151 169 103	180 381 956
Trade Creditors	4 386 563	5 539 668	226 572	60 993	1 322 729	5 918 202
Total	97 856 575	6 708 887	591 954	137 671	224 330 012	329 625 099

ANNEXURE F

Investment Portfolio: 30 September 2017
City of Matlosana

INSTITUTION	INTEREST RATE	PERIOD	AUGUST 2017	SEPTEMBER 2017	MATURITY DATE	EXPLANATION
Call Investment						
ABSA: 3854	3.73%		12 059.07	12 207.84		
ABSA: 5047	4.70%		46 278.77	46 423.56		
ABSA: 6177	6.75%		24 189 136.01	12 687 027.28		MIG
ABSA: 2264	4.70%		5 896 048.78	5 896 048.78		
ABSA: 4682	6.65%		14 785 315.34	34 145 355.33		NDPG
ABSA: 4063	1.55%		172 722.39	172 913.09		
ABSA: 1223	6.75%		88 512 195.43	81 031 317.29		
INVESTEC	6.80%		5 647 329.29	5 677 732.04		
TOTAL Call Investment			139 261 085.08	139 669 025.21		
Collateral						
SANLAM	Policy	Guaranteed Capital	7 837 616.22	7 837 616.22	2018/12/01	Policy
SANLAM	Policy	Guaranteed Capital	524 109.04	524 109.04	2019/08/01	Policy
NEDCOR	Minimum 5%		21 697 304.00	21 697 304.00	30/06/2019	Security
TOTAL			30 059 029.26	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			169 419 527.62	169 827 467.75		

Withdraw R35 000 000 from ABSA call - 01 September 2017
 Withdraw R5 739 197 from ABSA call (NDPG) - 06 September 2017
 Invest R25 000 000 with ABSA on call (NDPG) - 14 September 2017
 Withdraw R590 618 from ABSA call (MIG) - 22 September 2017
 Invest R27 000 000 with ABSA on call - 22 September 2017
 Withdraw R11 052 988 from ABSA call (MIG) - 29 September 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 30 SEPTEMBER 2017

Borrowing Reference No	Start Date	End Date	Borrowing Period Years	Original Loan	Lender	Purpose	% Interest Rate (2 dec) Per Annum	Interest Paid This quarter	Opening Balance 01/07/2015	Debt Repaid or Rev decreased	Additional Principal Accrued	Balance at 30/09/2017	Redemption 24/12/2018
ANNUITY LOANS													
NY11098	1/10/1997	30/09/2017	20	7439371	Development Bank of SA	Provision of Infrastructure	15	41 768,66	668 219,69	668 219,69	0,00	0,00	668 219,69
NY11182	1/10/1998	30/09/2018	20	7438466	Development Bank of SA	Provision of Infrastructure	15,26	123 396,28	1 619 877,38	489 106,66	0,00	1 114 772,12	1 815 318,74
NY11357	1/10/2000	30/09/2020	20	391 690	Development Bank of SA	Provision of Infrastructure	16,6	137 668,53	1 769 006,32	199 304,28	0,00	1 561 701,95	412 488,82
NY11374/1	1/10/2001	30/09/2019	18	1000000	Development Bank of SA	Combination	14,76	28 384,17	1 111 111,11	0,00	0,00	1 111 111,11	668 868,64
NY11387/2	1/7/2001	30/09/2019	18	14981125	Development Bank of SA	Combination	14,76	383 138,40	14 898 126,00	0,00	0,00	14 898 126,00	668 868,64
NY11429/1	1/7/2004	30/09/2019	15	28970000	Development Bank of SA	Combination	11,2	0,00	6 830 358,64	0,00	0,00	6 830 358,64	3 228 306,10
NY11038/7/1	1/1/2010	1/1/2025	15	3828872	Development Bank of SA	Provision of Infrastructure	14,76	682 267,06	26 781 177,28	482 248,77	0,00	6 648 927,09	4 644 398,30
10886	30/09/1998	30/09/2018	20	13388748	Development Bank of SA	Provision of Infrastructure	15,26	128 939,74	1 820 874,48	877 689,64	0,00	26 298 897,41	3 071 648,18
10912	30/09/1999	30/09/2019	20	8487000	Development Bank of SA	Provision of Infrastructure	15,26	140 692,08	2 398 873,41	470 182,98	0,00	1 828 692,02	878 548,47
10913	30/09/1998	30/09/2018	20	6788000	Development Bank of SA	Provision of Infrastructure	15,26	140 692,08	1 828 692,02	3 16 898,90	0,00	1 672 806,12	888 066,73
TOTAL ANNUITIES													
							15,26	1 980 706,99	68 838 460,39	3 826 393,40	0,00	68 233 066,99	78 834 392,00

Template for Calculation of Uniform Financial Ratios and Norms

RATIO	FORMULA	2017	2016	MUNICIPAL COMMENTS (%)
-------	---------	------	------	------------------------

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	8%		The ratio will increasing as capital expenditure accelerates.
			535 807 422	
			45 501 566	
			0	

C. Liquidity Management

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	0.000120327	64 472	0.0001 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.
			535 807 422	
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	0.029254934	65 233 056	0.029
			2 260 169 000	
			30 355 167	

2. FINANCIAL PERFORMANCE

1 Net Operating Surplus Margin	(Total Operating Revenue - Total Operating Expenditure)/Total Operating Revenue	0.762934797	2 260 169 000	0.7629 The restated assets register and the accompanying higher depreciation have a significant impact on financial performance of the municipality.
			535 807 422	

D. Expenditure Management

1 Creditors Payment Period (Trade Creditors)	Trade Creditors Outstanding / Credit Purchases (Operating and Capital) x 365	302.2591429	458 456 459	302.26 Improvement, but still way behind acceptable.
			553 619 672	
2 Remuneration as % of Total Operating Expenditure	Remuneration (Employee Related Costs and Councillors' Remuneration) /Total Operating Expenditure x100	0.096195943	51 542 500	0.10 Below NT norm
			535 807 422	

2 Contracted Services % of Total Operating Expenditure	Contracted Services / Total Operating Expenditure x100	0.002945112	
		1 578 013	
		535 807 422	

The proposed lower ratio is a product of a change to create in inhouse capacity for many of the current outsourced services to improve the performance of the municipality.

E. Grant Dependency

1 Own funded Capital Expenditure (Internally generated funds + Borrowings) to Total Capital Expenditure	Own funded Capital Expenditure (Internally generated funds + Borrowings) / Total Capital Expenditure x 100	0	
		0	
		0	
		45 501 566	
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	(0.42)	
		669 953 682	
		949 013 543	
		0	

There should be an increase in the ratio as the current capital spending accelerates.

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	0.212875811	0.21 Should be at 100%.
		45 501 566	
		213 747 000	
2 Operating Expenditure Budget Implementation Indicator	Actual Operating Expenditure / Budgeted Operating Expenditure x 100	1.988467594	1.99
		535 807 422	
		269 457 457	
3 Operating Revenue Budget Implementation Indicator	Actual Operating Revenue / Budget Operating Revenue x 100	2.719911077	2.72
		669 953 682	
		246 314 553	